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Daily Report

Latin America

FBIS-LAT-92-150
Tuesday
4 August 1992

Daily Report

Latin America

FBIS-LAT-92-150

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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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Brazil

O GLOBO reports that the CPI has discovered a "new connection between Farias and the accounts with which President Collor's expenses were paid."

Madrid EFE, citing a Brazilian daily, reports that Farias has threatened to disclose the names of congressmen whose electoral campaigns he financed. Farias "is surprised by the 'hypocritical' comments by federal deputies who talk about morality but who were elected with his financial assistance."

FOLHA DE SAO PAULO reports that President Collor will be cited in an inquiry that the Federal Police will send to the Federal Supreme Court. Collor's citation "clears the way for Attorney General Aristides Junqueira to indict the president " on "charges of common crimes," or to decide to shelve the case.

FOLHA DE SAO PAULO reports on a secret effort involving PT President Lula da Silva and ex-President Sarney in seeking an agreement that will make viable the "impeachment of Collor and the rise to the Presidency by the vice president." PMDB and PSDB leaders are also involved, "after two months of discussions the impeachment bloc has decided to roll up its sleeves." Chamber of Deputies President Pinheiro in an interview with O GLOBO states that "Congress does not conspire with, nor is it a tool for, partisan actions. I perceive that some pro-government people are surprised by the fact that I consider quite likely that an impeachment process will begin..." "...I am even saying it is inevitable."

Rio de Janeiro TV reports the resignation of Education Minister Jose Goldemberg and the appointment of Deputy Eraldo Tinoco as the new minister.

Cuba

Havana TV carries a live interview with Foreign Minister Ricardo Alarcon de Quesada and Vice Foreign Minister Dr. Ramon Sanchez-Parodi in which they discuss the results of the Second Ibero-American Summit. Alarcon feels "the specific results were really not particularly dramatic." The summit, he says, "obviously fell far short of the demand, the urgency, of the problems of our time and region." Some presidents who spoke "were describing a world which... really has little to do with the reality on the continent," Alarcon states. Regarding the document issued at the end of the summit, Sanchez-Parodi says, "no one will read it..." and describes it as "a little incoherent."

Paraguay

HOY reports, according to Colorado Party conventioneer Paniagua, "The text of the national Constitution sworn and signed by Constituent Assembly members on 20 June was not the final text of the new constitution the assembly approved at a plenary meeting on 17 June." Neither was the version signed by President Andres Rodriguez. The computers of a company "not formally hired lost the constitution's final version." There was a "cover up," because of a "rumor going around in those days that the president of the nation would not sign...and that the other branches might refuse as well." ABC COLOR contacted conventioners Ramiro Barboza and Gustavo Laterza of the Authentic Radical Liberal Party. Barboza "indicated that 90 percent of the list of corrections is made up of capitalization mistakes, missing accent marks, and commas. 'What I mean is that haste did not allow for the polishing of the original text that was signed.'" Laterza stated, "The list of corrections has become a political issue instead of a grammatical issue, as it should have been..." Laterza added that the text is "relatively valid," but "until the executive branch decides whether to include the list of corrections, we will not have the official version."

Cuba

Alarcon, Sanchez-Parodi Comment on Madrid Summit

*FL0308220592 Havana Cuba Vision Network
in Spanish 0140 GMT 1 Aug 92*

[Interview with Foreign Minister Ricardo Alarcon de Quesada and Vice Foreign Minister Dr. Ramon Sanchez-Parodi by Valentin Rodriguez for the "International View" program—live]

[Excerpt] [Rodriguez] Good evening, friends. The Cuban delegation that attended the Second Ibero-American Summit in Madrid returned 48 hours ago. The Latin American presidents, heads of government, and heads of state met at this summit. My intent tonight is to converse with you about this second summit, something like an evaluation and reflections on this second meeting. No one is more appropriate for this than our country's Foreign Minister Dr. Ricardo Alarcon de Quesada and Cuban Vice Foreign Minister Dr. Ramon Sanchez-Parodi. Well, good evening, Mr. Minister and Parodi. I would like to begin our talk perhaps by making a comparison between Guadalajara and Madrid. Has the Latin American situation changed between the first and second summits?

[Alarcon] I think it has changed, and continues to change, unfortunately for the worse. The very fact that three Latin American heads of state who were in Guadalajara were not in Madrid—for different reasons, but all associated with difficulties and problems their countries have—seems to me an indicator of how the situation today is, in general, more complicated for the region's countries.

[Sanchez-Parodi] Even in that regard, although sometimes it is not reflected as much because the media are not able or do not want to give an idea of everything that is happening, it was obvious, especially in the preparatory meetings, how the issue of the social cost of all these neoconservative problems is being felt in Latin America. There is even concern at those levels, at the government levels, about the situation that is being created and which is reflected in things like this, as the minister said, like the non-participation of a number of presidents in this summit.

[Rodriguez] The international media that reported on the Second Ibero-American Summit said that this meeting was described as less politicized than the meeting in Guadalajara, and it was remarked that Spain did everything possible so that this [politicization] really would not happen. According to the Spanish newspapers EL PAIS and EL MUNDO, this summit was full of show and protocol, and there were even rehearsals beforehand of the events that were going to be held during the summit. What do you think of this, as participants in the summit?

[Alarcon] Well, Guadalajara was a very important conference which I think has a definite place in history. It

was the first meeting of the Latin American countries without the United States and with Spain and Portugal. It resulted in a declaration which I think is a very important document, which establishes the basis for this grouping, this community, or whatever you want to call it. What happened? Also in Guadalajara there was a very important agreement, which was to meet again; that is, to continue this process. We met in Madrid; we had the second conference. It was not appropriate to adopt that declaration again in Madrid. We had already issued it in Guadalajara. There, a document of conclusions—as they call it—was approved. This was more or less an analysis of the international situation as perceived by the participants, and one can assume that we took some specific steps concerning the process we had already begun.

In this regard, it seems obvious to me that although it is positive that we met again, with which we confirmed this course of joint action, shall we say, of Ibero-America, and we reiterated that desire to continue to work together, the specific results were really not particularly dramatic. This did not surprise anyone. There was a scholarship plan, cooperation in the field of educational television, and the fund for aid to indigenous people. If one thinks about the tremendous problems faced by the people of the region, if one keeps in mind the need, the demand, that more serious and definitive decisions be made about integration, the conference obviously fell far short of the demand, the urgency, of the problems of our time and region.

In this regard, I would not say that it was more or less politicized, but simply that it was a conference which, although on the one hand it had the positive aspect of continuing a process, on the other hand it fell far short on the road we must advance along.

[Sanchez-Parodi] There is no doubt, Valentin, that in this regard there is a ceremonial aspect, because there is no doubt that this is related to, this has some connection with—excuse the repetition—the 500th anniversary, Spain's role, and highlighting this issue. In this, of course, the ceremonial aspect as such plays a role because there is definitely no doubt that the host country plays some...[pauses] has some influence, even a determining influence, on how much emphasis is put on the matter. There were undoubtedly aspects that stressed Spain's role in the Ibero-American community as a result of the 500th anniversary.

[Rodriguez] Well, I had the opportunity to hear most of the speeches by the Latin American presidents. Most of these speeches note encouraging results in the economy in 1991, especially in the macroeconomic indicators. I would like to ask you both, Mr. Minister and Mr. Parodi, do these speeches and these facts that were noted at this summit contrast in any way with the reality in Latin America? Do they have anything to do with the reality in Latin America today?

[Alarcon] (The parts) of the reality in Latin America of literary imagination, and the creativity of our men and

women. Some presidents showed signs of an inexhaustible imagination, because they were describing a world which might exist in their minds but really has little to do with the reality on the continent. There are many figures that contradict them, which were also presented there. There was even a very specific figure which was presented very forcefully by the Costa Rican president and also others from Central America, Ecuador, and Colombia. Those are the countries that export bananas. Now the exporters of bananas and plantains are facing serious problems with the EC, and particularly with Spain, which has become a very serious rival of these countries, which are being shut out of the European market. This is just one example. That is the top export product of some of the participants in that great community, and they found themselves forced to focus their message on that point, on the difficult situation they are placed in by this lack of solidarity with regard to their top export product, their major source of income, vis-a-vis a Europe—to which Spain and Portugal belong—which is closing the doors to them.

But there are many examples. At the first meeting, the ministerial meeting, remember the man from the Pan-American Health Organization? It is enough to take the first paragraph of the speech he made, presenting a proposal for a hemispheric health plan. The figures he gave are dreadful. He talked about hundreds of millions of people in Latin America who do not have access to health services, and hundreds of millions who do not have access to potable water, and so on. They are all really horrific figures, and I do not see how anyone—except for someone with a great literary imagination—can describe that world as the best of all possible worlds, as was said at one point during the meeting.

[Sanchez-Parodi] You know, even at that level, there is an awareness, and there really was an awareness at the meeting, (?briefly), as we say. That is, at these meetings, I remember at the technical level, at the first meeting at the experts level, we dealt with that point, and we talked about points presented in the draft document of conclusions, and we said that it was really too much to go so far as to say those things. That was said, and there were representatives there from countries who said: Gentlemen, all the experts, all the economists who have studied these things say that things are very bad, and we are saying here that things are very good. We will lose credibility. They are going to laugh at us when we come out saying these things. Some of those points were changed, because there is an awareness that the situation is not as rosy as some try to paint it.

[Rodriguez] Well, certainly there is extreme poverty: 270 million poor and 85 million indigents at the end of 1991. Well, the polarization is becoming abysmal.

[Alarcon] But they were not there at the conference.

[Rodriguez] They were not there. [chuckles] Mr. Minister and Comrade Parodi, respect for democracy and human rights and freedoms was the crux of this so-called

document of conclusions signed by the region's leaders. As we all know, five types of cooperation were approved. In your opinion, were these—you said this a few minutes ago—the most pressing problems at this Second Ibero-American Summit?

[Alarcon] I think they obviously were not. I think that we can see this as one of the problems, perhaps the main problem of Latin America: the lack of real ability, readiness, and will to confront the real problems. The main problem our continent is facing today is really that unfortunately there is no collective, genuine, real willingness to take effective steps toward the economic and political integration of the continent. Some are content to go to a commemoration, a ceremonial activity, to sing the praises of abstract concepts, salute the 500 years of our history, etc., without thinking about the next 500 days.

[Sanchez-Parodi] In addition, I would not say that the crux was those problems, because this is the euphemism with which one avoids discussing the more direct problem, which is precisely the inability of the system to resolve things and the great danger to the so-called democratization process in Latin America because of the lack of a solution or the failure of the neoconservative solutions. So, they take out the banner or wave the specter—which is not such a specter—of the situation of human rights, democracy, those issues which are real but in fact are real because of the failure of the prescriptions that are being applied.

[Alarcon] There are things that one can view as funny or very sad. There are tens of millions of Latin Americans—in some countries the majority of the populace—who have not heard and will never hear about all the rhetoric that took place in Madrid, simply because they do not know how to read or write Spanish. Their language is not Spanish. They have never belonged to that culture which was saluted and praised, etc. In a country like Guatemala, for example, (?the president explained that) more than 60 percent of the population of Guatemala does not speak Spanish. So Guatemalan democracy consists of the majority of the Indians choosing between one man or another, or one program or another, which they have not been able to read about and do not understand. A language completely foreign to them is being spoken.

[Sanchez-Parodi] The thing is that that supposed democracy does not work. It is not viable. It is not feasible, because if you do not even know what they are saying to you, how can you [words indistinct]?

[Rodriguez] What kind of democracy are we talking about when there is so much poverty [words indistinct]?

[Alarcon] Well, some poor people in Latin America express their point of view, their opinion, their desire for change, in some cases in more energetic ways than just going to the ballot box, because they do not see any alternative. That is one of the phenomena we have on the

continent: how the social situation is aggravated, aggravated by neoconservative policies, aggravated by the imposition by the IMF of adjustment policies, economic liberalization policies, privatization, etc., etc., which are reflected in unemployment and lower standards of living for the people. People vote against that. They vote with strikes, demonstrations, protests, and social unrest, which is what prevails in more than one country in the region.

[Rodriguez] So were debt and poverty absent from the agenda of this summit?

[Alarcon] Unfortunately, that is so. There are some mentions in the document. There were some mentions in some speeches by some presidents, to be fair to them, but they were absent in real terms. That is, scholarships and television programs—with all due respect for you and the comrades—do not solve squalor or poverty. Scholarships and educational television are fine, but something more must be done.

[Sanchez-Parodi] But there is no doubt that these programs—and there was an awareness that these programs do not solve things at all—were an attempt, a way, to give some substance to the meeting. But there is no doubt that in spirit, at bottom, these problems of poverty, development, and the conditions existing in Latin America were present at the meeting, although at times they were not expressed.

[Rodriguez] They were underneath. [passage omitted] Well, this document we were referring to, the document of conclusions of the Second Ibero-American Summit, is openly contradictory, is it not?

[Alarcon] Contradictory in what sense? In that it contradicts reality?

[Rodriguez] In that it contradicts reality.

[Sanchez-Parodi] That document is among other things a little Christmas tree [chuckles] in that it contains so many things. Initially, during the preparatory work, it was thought that it would be a concise, specific document that would talk about an evaluation of the current situation and the specific programs, the four, five, or six programs that were going to be approved. It was to be five or six pages long. It ended up as a 29-page document which will become almost an underground document, not because it will be hidden but because no one will read it, because 29 pages are too....[pauses] So it was a little difficult. But it contains a lot of things. Later, everyone wanted to add a little paragraph on some issue; some were important issues and others were totally unimportant. So it is a little incoherent, I would say.

[Rodriguez] Do you think there is any connection between Fidel's denunciation of the attempts by the United States to kidnap in other countries people who are wanted by U.S. courts, and the agreement signed in this Second Ibero-American Summit to submit this issue in the International Court of Justice in The Hague?

[Alarcon] Well, there are two very specific facts. The document of conclusions mentions what you have just mentioned. It was agreed to ask the International Court of Justice in The Hague to rule on this issue. In the speeches that were given [words indistinct] that are known, only one president, Comrade Fidel Castro, spoke of this issue. The truth is that only one country denounced the issue of the kidnappings, and that issue was included, fortunately and very rightly, in my opinion, in the document.

I believe that we must remember that even though its deficiencies, the things it lacks, have been pointed out, it is an important document that has positive elements such as this one. I believe it is very important that we, the Ibero-American countries, have agreed, despite some reluctance by some who are more neoconservative than forceful, and despite being in Latin America they feel like they are in Europe—and I am not talking about Portugal or Spain—despite all this, the vast majority categorically and overwhelmingly supported the inclusion of that paragraph in the document, which is very important since it expresses a clear solidarity with Mexico [words indistinct] rejects the U.S. position on kidnapping people in any part of the world.

[Sanchez-Parodi] There are also other aspects that were expressed by the commander in chief in his speech at the opening plenary session, that were also included in the document, and that show our concern about these issues such as....

[Alarcon, interrupting] The criticism of the UN system, for example. Only Fidel spoke of this and it was included as part of the document, which in my opinion was correct.

[Rodriguez] It is interesting that such an important topic that involves everybody was not debated or discussed at the Second Ibero-American Summit.

[Alarcon] If you have only seven minutes to speak and you want to devote them to some very imaginative praises of a supposed prosperity and to praises of neo-conservatism and a democracy that only exists in the imagination of the speaker, your seven minutes will be up. If your thoughts are not coherent, if you are not clear in analyzing the problems, you cannot use your time to say anything concrete. That is why a lot of the press, including the very reactionary press of Spain, acknowledged that only Fidel Castro had spoken the truth at that conference.

[Sanchez-Parodi] Because he addressed the roots of the problems. That was the only way to deal with three, four, or five aspects, or the fundamental aspects of that situation, in seven minutes; that is, by addressing the roots of the problems.

[Rodriguez] A topic like this one, the Security Council, that concerns all the Ibero-American countries was not a concern that the Latin American press commented on during the Second Ibero-American Summit.

[Alarcon] At any rate, in spite of that, we reached an agreement so that in the document, in its conclusions, we could draw the same conclusion that Comrade Fidel mentioned in his speech.

[Rodriguez] The preservation of the democratic order prevailing on the continent is stressed in this concluding document that you are referring to. I think, in my view, that this document does not consider the fragility of these democracies and that the phenomenon of destabilization is an internal phenomenon. As you said just moments ago, three Latin American presidents did not attend the Second Ibero-American Summit. Their chairs were unoccupied, or in the case of Colombia, the foreign minister represented President Gaviria. Do you think that these pronouncements in the concluding document are paradoxical, given the reality that Latin America is currently experiencing?

[Alarcon] I believe they are, because I think it is right to defend the validity of the institutions that each nation has chosen, and the constitutional order, etc. But if we do not look further ahead, and if we do not try to do effective things to solve the problems that create instability in Latin American countries, an instability that is the origin of breaches of one kind or another in the constitutional order or social harmony—we could say—then we are just paying rhetorical tribute to democracy. I do not know how many presidents will be absent in the next summit, but if we continue along this path it may be that his majesty the king will be there alone with....[rephrases] Well, I do not know if Felipe [Gonzalez] will be there at that time, but it may happen [words indistinct].

[Sanchez-Parodi] At the moment we need to recognize the problems that exist in this whole process that cause these absences and that are reflected in all the problems that exist in Latin America. There is no doubt that in Latin America, a process of greater mass participation, less repression, and fewer military regimes like the ones suffered in the seventies and eighties would be good. To a certain extent, the document recognizes that this is in danger. Why is it in danger? Because of what is said somewhat lightly or is sometimes not even mentioned: because of the neoconservative programs that really are not solving the problems and that have a high social cost.

[Alarcon] They are making things worse.

[Rodriguez] We can see the validity of Fidel's words in Guadalajara. These democracies are deteriorating at the speed of light. They are seated on barrels of gunpowder. It is as if the reasoning in 1985, when the debt crisis occurred, is being confirmed today.

[Alarcon] That is right. In fact, other presidents and delegations also mentioned these problems, although only partially. I have already mentioned the banana exporting countries, which put their finger on the spot, because for them it is the most important thing. Those countries depend on the banana exports. In other cases, there were clear expressions of concern about the social

dimension of the region's problems, that are not....[rephrases] Some countries may present some favorable mathematical indicators as far as increases in production, but none of them can present favorable indicators in terms of a drop in infant mortality and unemployment, or improvement in social services, education, health, etc.; in other words, in terms of the things that make up the everyday life of common people, the people who are not the ones that cut the coupons to get the profits from the big investments, etc. I mean the ordinary people out on the street. They are the majority in Latin America.

[Rodriguez] Mr. Minister, you said in Seville that this was a step in Latin American integration but that there is still a long way to go. What way is that?

[Alarcon] All the rest of the way. [chuckles] I would say that it is practically the whole way, the whole way. [repeats] A second, very important step has been taken. The first, the most important, was in Guadalajara, where this commitment, this desire, to move towards forming an Ibero-American community was established, and the declaration defining its parameters was approved. Now a little step has been taken, in holding the second conference, reaffirming that decision of Guadalajara, and making it a reality through some projects, which—I will repeat what I said before—unfortunately do not really go to the heart of the region's problems. Now, we reaffirmed our desire; we are going to meet next year in Salvador da Bahia, Brazil. Really we should hope that there, in Brazil, we will be capable of making decisions, agreements, and programs that are much more relevant to the reality of the region.

[Rodriguez] Will Latin America be in a position in these circumstances today to move along or to hope to move along a long road?

[Alarcon] Well, that is a question that perhaps has to do with the Latin American imagination. I think that right now it should not be so. After all, democracy [words indistinct] by the people and for the people. If we are democrats, we cannot give ourselves the luxury of letting 14 million children under five years of age continue to die each year, or letting children continue to beg in the streets, having homeless old people, etc. We have no right to wait. There is a real demand to act right now. One can make the calculations about how many people died unnecessarily during the days we were at this meeting, this ceremony, listening to speeches. Do we have any right to do this, morally? I do not think so. Neither Latin America nor anyone should wait so long, and democratic rulers inspired by noble desires for those people simply have an unavoidable moral obligation to act and act now.

[Rodriguez] (?In response to) Fidel's call in his speech at the summit, that Latin American unity does not yet exist, could a climate of unity be felt at that meeting?

[Alarcon] I think there was a climate of solidarity, courtesy, and friendship among all the participants.

There was unity about basic things, in general, about the desire to continue with this entente and this process. There was not unity in the sense that we thought the same about each subject or about the speed with which we should act, etc. But in fact it was like a family meeting together, people with family bonds, family ties, even with affection, and as in any family, without all the members thinking exactly alike.

[Sanchez-Parodi] But there is no doubt that integration is the way. I think that everyone is aware of that.

[Rodriguez] Friends, I hope that what was achieved in Madrid '92 will not remain as mute documents, inconsequential things, or servility. As our foreign minister has said, this is only one step, but the abyss that separates Ibero-America from Latin America, which has been referred to here tonight, exists and is there. Well, I thank our Foreign Minister Dr. Ricardo Alarcon and our Vice Foreign Minister Ramon Sanchez-Parodi for having given us tonight an exclusive evaluation of the results of the Second Ibero-American Summit in Madrid. I will see you, my viewing friends, next Friday.

Cienfuegos Prepares for 26 Jul Celebration

*FL0308210392 Havana Cuba Vision Network
in Spanish 0000 GMT 1 Aug 92*

[Text] According to reporter Menandro Perez from Cienfuegos, the site of the national 26 July celebration, the most outstanding workers of the sugarcane harvest throughout the whole country are already in Cienfuegos Province in order to participate in the national ceremony for the sugar harvest which will be held on 1 August at the Elpidio Gomez Refinery. This refinery has met its sugar production plan during 29 consecutive years. Cienfuegos correspondent Omar Jorge also reports to us from there.

[Begin Jorge recording] Cienfuegos has the same charm that every city located by the sea has. In its case, it lies on a bay that covers 80 square km. Without a doubt, it was favored by nature, but its residents have known how to make it even more beautiful. Its straight streets, famous for their cleanliness; a still youthful architecture after 173 years; and a modern appearance harmoniously combined with the traditional, make this city one of the most beautiful in Cuba.

The tradition of the residents of caring for, maintaining, and beautifying the city has been reactivated in these days. When the opportunity to host the national celebration for the 39th anniversary of the assault on the Moncada Barracks was awarded to this province, it stimulated even more these idiosyncrasies of the Cienfuegos residents. That is why the streets of the provincial capital are slowly filling with color, the facades are being decorated, and the city is being transformed. It is a process, and I can tell you as a Cienfuegos resident that the preparations will continue as the date for the national celebration approaches in the next few days. For the time being, Cienfuegos, the pearl of the south,

continues to live up to its name, not just because of what nature gave it but also because of what its residents are doing. [end recording]

Sugar Industry Minister Comments on Next Harvest

*FL0408020392 Havana Radio Rebelde Network
in Spanish 2315 GMT 3 Aug 92*

[Text] Minister of the Sugar Industry Juan Herrera Machado said that the cane cutting brigades which will participate in the next sugar harvest have begun to be organized nationwide.

[Begin Herrera recording] Only [words indistinct] the experience of the past harvest. We did well in the past, but this harvest, during the special period, confirmed all these things because we had to do them. The things that we did at the end will be done at the beginning. What are these things? These are the cane associations. In Ciego de Avila, we thought that at the end of the harvest we would have to move sugarcane to [words indistinct]. We will involve them from the beginning. Instead of starting in May, we will start in December. I use the example of associations, which we have always done, but we did it together. Why did we do it? Because in the past there were always more resources. There were more resources available. Not today; today there will be even fewer mechanized resources for the next harvest in comparison to the last harvest. [end recording]

The minister of the sugar industry announced that burning sugarcane has been prohibited for the upcoming harvest. With regard to this, he said:

[Begin Herrera recording] What this burning means, what this could mean to the sugar refineries, is incredible, and what we will have as a limiting factor next year is cane, why should we not do this? I know that this may not be well received, but we must tell it like it is, and we need to make sure and demand that there is compliance. [end recording]

At present, the country is participating in a gigantic planting season, which varies between 10,000 and 11,000 caballerias of cane to be planted, as the first step for the 1993-1994 sugar harvest. Minister of the Sugar Industry Juan Herrera Machado directed them to turn August into the month of greatest activity in the sugar industry in history. For this, he said that it is necessary to make a big effort, keeping in mind the characteristics of the Cuban climate during this period.

Dominican Republic

EL SIGLO Views on OAS Embargo on Haiti Noted

*FL0308204092 Santo Domingo Radio-Television
Dominicana Radio Network in Spanish 1600 GMT
3 Aug 92*

[Text] A newspaper with national circulation comments today on the need to lift the embargo against the

Republic of Haiti. EL SIGLO devotes its only editorial on 3 August to pointing out the drawbacks of the sanction imposed on the de facto government in the neighboring country. The editorial states that it is very clear that if the international community, made up of the Latin American countries and the United States, had proposed to apply with the greatest possible strictness the embargo declared by the OAS against Haiti, it would have done so.

But this has not been so. There are several reasons, but two stand out. The first arose when the decision was made, and it consisted of how to establish an embargo that would not place the greatest burden on the poorest inhabitants of Haiti, keeping in mind that this includes almost all Haitians, the newspaper stresses. EL SIGLO notes that this concern was expressed on several occasions, even by very high-ranking officials of the Department [of State], because it is known that Haiti is the poorest nation in the hemisphere.

The newspaper emphasizes that the other concern appeared later and was connected to the biased handling of the Haitian crisis. Although there was an interest in restoring democracy in that nation, there were some (?differences) about the formulas advocated for doing so. EL SIGLO stresses that the result has been an ineffective embargo which nevertheless has created greater poverty in Haiti. It concludes by saying that it is necessary for the OAS to acknowledge the facts and its inability to apply this instrument of pressure against the Haitian military, and to learn its lesson.

Haiti

Belizaire Explains Statement on Constitution

FL0308152692 Port-au-Prince Radio Tropic FM
in French 1100 GMT 3 Aug 92

[Excerpt] Dejean Belizaire, president of the Senate of the Republic, has tried to justify his recent statement on the applicability of the 1987 Constitution. Sen. Belizaire,

explaining to his colleagues in the Senate, said during a stormy session that his statement was misunderstood.

[Begin Belizaire recording in Creole] I think that we have simply noted something that we expressed. You have also noted the same thing. We, however, never say in so many words that the Constitution has been set aside, as many people attribute this statement to us. Besides, we can say that the Constitution provides for a president of the Republic; he is not there, just as the electoral council is not there. So, we believe the Constitution is not completely in force. On that score, we assume our responsibility because it is the truth, it is a reality. If someone wants to give it particular meaning, we cannot prevent that. However, we know what we say, we say what we see and what we note. [passage omitted] [end recording]

Trinidad and Tobago

Haitians Prefer 'To Die Struggling for Freedom'

FL0308191092 Bridgetown CANA in English
1603 GMT 3 Aug 92

[Text] Port-of-Spain, Trinidad, Aug 3, CANA—Deposed Haitian President Jean-Bertrand Aristide said over the weekend here that Haitians preferred to die struggling for freedom than to live as slaves kneeling before their captors. Aristide told a large crowd in Point Fortin in southern Trinidad, that one could have money by enslaving others, exploiting the poor, and killing people.

"...With that money we can buy what you want, but you cannot buy freedom, cannot buy love, nor justice, nor dignity.

"We fight for them, and once we get them we will fight to keep them," he said, adding that those with money and weapons will continue to use them to enslave people.

The ousted president was the guest of honour of the Confederation of African Associations of Trinidad and Tobago (COAATT) for the emancipation (Freedom Day) holiday which was celebrated by Africans on Saturday [2 August]. Aristide was expected to leave the country on Monday.

Guatemala

Rebel Attacks Reportedly Continue; Talks Resume

PA0308163792 Paris AFP in Spanish 1536 GMT
3 Aug 92

[Text] Guatemala City, 3 Aug (AFP)—The guerrillas have continued their acts of harassment, sabotage, and propaganda in the northern and western part of Guatemala, rebel sources reported on 3 August, while the peace talks between the insurgents and the government resumed in Mexico.

During the last 3 days, the Guatemalan National Revolutionary Unity (URNG) tried to blow up a bridge on the southern coast, sabotaged a convoy of trucks carrying 30,000 gallons of petroleum in the northern Department of Peten, and attacked a oil field in the eastern part of the country, according to official bulletins.

On 31 July, a group of rebels tried to dynamite the Ayal Bridge at km 200 of the Pacific Highway. Although the rebels did not destroy the bridge, the structure sustained damage that will temporarily affect transportation.

On 1 August in the remote region of Sayaxche, Peten Department, the guerrillas stopped six trucks carrying petroleum and set them on fire "causing large property and ecological damage," according to a report by the Information and Press Department of the Army (DIDE).

Finally, the URNG harassed a military detachment in Jutiapa but without casualties, the insurgents reported through the news agency CERIGUA.

All these incidents occurred as government and URNG delegations prepared to begin a new round of peace negotiations. These talks will begin on 3 August in Mexico.

Catholic Bishop Rodolfo Quezada, who is mediating the talks, traveled on 2 August to Mexico with the government delegation. He stated that "false expectations must not be created," because "there are difficult points" on the agenda.

Among them, he mentioned the rebel proposal to stop the Army from recruiting members for the paramilitary Civilian Self-Defense Patrols (PAC) and the schedule for the accords being discussed.

The mediator admitted that both parties "have shown flexibility" in the process and he voiced optimism that an "overall agreement" can be reached, as the government and guerrillas anticipate.

New Government Minister Perdomo Takes Office

PA0408000492 Guatemala City Teleonce Television
in Spanish 1800 GMT 3 Aug 92

[Text] Francisco Perdomo Sandoval took office on 3 August as government minister, thus replacing Fernando Hurtado Prem, during a ceremony held at the National

Palace. President Jorge Serrano Elias swore in the new minister in the presence of the outgoing official. Perdomo Sandoval was the deputy director of Guatel [Guatemalan Telecommunications Enterprise] until 31 July. Before serving as deputy director of Guatel, Perdomo Sandoval was a penal judge.

Perdomo Sandoval was replaced at Guatel by Julio Cesar Serrano, who used to be Guatel's technical manager.

Hurtado Prem leaves the Government Ministry which he headed since May 1991 after replacing Colonel Ricardo Mendes Ruiz in that office. Hurtado Prem resigned from the Government Ministry under heavy pressure after peasants from Cajola were evicted from the main square by the National Police riot squad.

He previously had been the attorney general for human rights and, as President Serrano announced, he will be transferred to another government office. For the time being, Hurtado Prem continues to form part of the government delegation to the negotiations with the URNG [Guatemalan National Revolutionary Unity], even though he is not participating in the round of negotiations begun in Mexico on 3 July.

Nicaragua

Ibarra, 10 Others Summoned to Managua Court

PA0308153092 Managua Radio Sandino in Spanish
1100 GMT 3 Aug 92

[Text] Rosa Argentina Solis, Managua Eighth Criminal District Court judge, is going to issue on 3 August instructions regarding the trial of Antonio Ibarra Roja, former deputy Presidency minister, and 10 other persons. They are facing charges ranging from conspiracy to commit a crime and forgery of documents to embezzlement and misappropriation of public and private funds. Attorney General Jose Antonio Fletes asked on 31 July that immigration officials be notified in case the indicted persons leave the country. Two of these accused, Ibarra Roja and Luis Pereira, are out of the country. Ibarra is in Miami, Florida, and Pereira is in Honduras. The indicted will be summoned this week to the Managua Eighth Criminal District Court.

FSLN Issues Statement on Current Situation

PA0308161992 Managua BARRICADA in Spanish
31 Jul 92 pp 7,8.

[Statement issued by the Sandinist National Liberation Front, FSLN, Sandinist Assembly on the occasion of its 12th anniversary, in El Crucero on 25 July 1992]

[Text] General Considerations

The current economic crisis the Nicaraguan people are going through is a result of internal and international

structural changes with a historical origin, to which can be added the effects of the war and the economic blockade.

The government's stabilization and structural adjustment policies have become a new component that aggravates the economic crisis by fighting hyperinflation with recession and across-the-board unemployment. The nation's economy is being reoriented in favor of the privileged minority, excluding the production and work potential of the most needy groups that make up the majority of the population.

There is no quick solution to this crisis in the short term. The international prices of Nicaragua's main export products have dropped even lower than in previous decades. The developed nations continue to impose import barriers, quotas, and import prohibitions; to apply dumping policies; and to grant subsidies to their local producers. Nicaragua's exports have been shrinking and now the producers have difficulty even deciding what they are going to produce.

Although there is significant flow of foreign resources, these are not enough for a devastated nation that requires a broad economic and social reconstruction program. The resources that the nation can truly count on are limited to a short period of time. The credits granted by the developed nations tend to become scarcer, while competition for these same resources grows from other nations.

The country's internal situation appears difficult and tense. The fragile economy at the end of the 1980's, at the end of the war, assumed the burden of thousands of demobilized resistance fighters, of dismissed Armed Forces soldiers, of displaced persons and repatriated, for whom there was no economic assimilation or true productive capacity.

Economic measures have accentuated social tensions by creating additional numbers of unemployed persons from the government sector and from the productive sectors. Large portions of the population have become impoverished, while social services have deteriorated significantly, to the detriment of the most needy.

Property conflicts tend to extend into unending debates with expressions of growing violence. Despite the agreements signed at numerous debate and national agreement forums, in practice the property issue has not been resolved.

The peasants, benefited by the land grants made by the Sandinist government, are now haunted by former owners and pressured by return warrants or by legal evictions and have not received the promised guarantee of the property titles. These new beneficiaries have few rights. They lack titles, they have been burdened with past debts and are exposed to losing their fragile possessions, while privatizations and company returns are

generously made to the minority business sector. Producers in general have had their properties taken over, often by armed groups of demobilized city or rural jobless.

The government, without taking into account the scope of the problem and the uncertainty owners feel, defined 1992 as the "Year of the Economic Revival," when the truth of the matter is that the problem is not how much to produce, but by whom and with what sure and legitimate means. There cannot be economic revival without first having a clear solution to the property problem.

Property is a key issue to national stability and is the basis for economic recovery. It is essential to consolidate and develop the current forms of ownership, guaranteeing their legal security to lay down conditions for the acclaimed economic and social revival.

The definite application of the government's economic model and general guidelines contradicts this solution. More than half of farm properties are in the hands of new people who emerged with the Sandinist Revolution and the latest beneficiaries of the plots of land negotiated with the government. They have in their hands the nation's vast productive potential.

In addition to being harassed by orders to return property and with eviction orders, plot beneficiaries have little or no access to credit, markets, etc. This is because of government economic guidelines that favor minority business clients and refuse to permit state intervention to protect and encourage forms of democratic ownership, which are characteristic of the current Nicaraguan economy.

The truth is that the government's economic policies are not very different from those applied in other Latin American countries. They overlook the fact that there was a Nicaraguan revolution that brought about undeniably deep changes.

In Nicaragua today, property is widely distributed among the population, but in practice the people are excluded and segregated. Stabilization and adjustment policies condemn Latin America's poor majorities to an informal economy and unemployment. This same segment of the population is also being excluded in Nicaragua, except that in Nicaragua this segment is excluded with the production facilities they possess. These production facilities are precisely, because of their breadth, the backbone of any economic revival.

The tension in Nicaragua is putting pressures on society that are leading to incidents of violence and anarchy. In view of the lack of structural answers, or at least temporary palliatives, the government's option to use violence against popular protests has been gaining acceptance. Recent events point in that direction, and this is another ingredient of tension that could lead to severe consequences.

Starting from the economic decline that has taken place as result of the aggression, several major obstacles have been taking shape that, in the FSLN's opinion, must be removed to steer the country toward social and economic revival within a framework of stability and lasting peace. These obstacles are:

1. Instability with respect to property rights affects all producers to a greater or lesser degree, and represents a powerful discouraging factor in the country's productive recovery.
2. The orthodox execution of economic stabilization and structural adjustment policies prompts the exclusion of popular sectors and prevents them from becoming active agents of national reconstruction. This has had generally negative effects on the national economy: higher unemployment, a decline in production, paralyzation of agricultural and industrial production, and a decline in health and education services.
3. The inadequate incorporation of the demobilized, war refugees, repatriates, and persons retired from the Armed Forces who, in addition to representing a loss of productive assets, also represent a source of potential conflict obvious in every society.
4. The use of force to suppress social protests, which is starting to be used as a means to ease the frustration accumulated in Nicaraguan society. Under circumstances where rights and legitimacy as part of a transition process are still subject to discussion, the use of repressive force can only cause greater levels of discomfort and new elements of frustration.

1. Property Guarantees

Traditional producers, businessmen, and average farmers, as well as producers who have benefited from agrarian policies still feel, for different reasons, somewhat uncertain with respect to their property ownership rights. The legalization and protection of agrarian property is indispensable as a requirement for any productive recovery:

A. Effective legal protection is to be provided to all beneficiaries of land distributed by Agrarian Reform, by the Sandinist government, as well as those that have been obtained by means of agreements between the government and the demobilized resistance, EPS [Sandinist People's Army], Government Ministry, and People's Ownership Sector workers. This ownership must be guaranteed by the government by means of an Agrarian and Urban Property Protection Law.

B. Land titles must be distributed to those beneficiaries who only have provisional documents or simple ownership rights. For Agrarian Reform purposes, land must be distributed gratuitously.

C. Peasants should be given priority in the new land demands and these must be resolved by the government through rural development plans that add state owned land for production.

D. The FSLN and all national forces must assume the commitment to foster respect for individual and collective property in the case of national resources. Once a better and more fair distribution of land is accomplished, it is essential to legally and institutionally protect producers regardless of the size or type of property. The takeover of land, therefore, should not be encouraged, and protection against invaders, evictions, and forced takeovers should be afforded to all producers, without exception.

E. The government should establish expeditious and effective procedures to indemnify all these people who, despite having legitimate rights, cannot have their properties returned.

F. The FSLN rejects any attempt to return or indemnify properties affected by Decrees 3 and 38. These properties were inappropriately acquired and the Nicaraguan people justly demanded their recovery.

We also reject any attempt to reverse democratic transformations of property by orders to return these properties through legal loopholes that landowners and Somozists have been using against the peasants.

G. We reject evictions in the countryside and in the city and we demand the return of these properties to the families who have had their benefit since 1979, and who now have had land, plots, and homes taken away.

We also demand that workers be given back their rights, now being denied them by the companies.

H. The government should deliver property deeds and provide security and legal protection to those who benefited with plots and houses through Laws 85 and 86, in accordance with what these laws state, and the agreements signed by the government. The government should also hand over the Office of Territorial Organization deeds to end the uncertainty among the beneficiaries of these laws.

I. The workers' right to 25 percent of the assets, prior to the return or privatization of any state enterprise or property, must be respected, in compliance with the signed concerted agreements. The government must recognize the workers' property, protect it, and develop it. Obstacles and hindrances—excessive asset value, burdensome conditions to acquire them, lack of credit, lack of technical support, etc.—must be overcome.

2. Economic Measures

A few months after its implementation, the stabilization and adjustment plan has widened the gap between rich and poor. Its drastic implementation has increased unemployment and underemployment, which affects more than half of the country's labor force.

National productivity has not yet reacted, while commercial activity, artificially stimulated by foreign resources, is only aimed at favoring a segment of privileged consumers. The various economic measures taken by the government have the effect of excluding large economic sectors, producers, and workers.

Those economic policies and measures include:

- Increasing the value of the cordoba with respect to the dollar, which has increased local costs and reduced export activities.
- Tax exemptions have weakened national industries by making it possible to cover the population's needs and social demands through large amounts of imported products.
- The overall tax system continues to be the highest in Central America, which also affects the cost of production and services and the population's purchasing power.
- The rates for essential social services, energy, water, and telephone, are high compared to other countries in the region and exaggerated compared to the citizens' purchasing power and the general state of the economy. This factor also contributes to increase production costs and the cost of living in general.
- High interest rates charged by the financial system are harsh and hinder the profitability of our main economic activities, particularly in the agriculture and livestock area.
- The government has officially assumed the urgent need to increase discipline, efficiency, and quality of work in the labor sector with repression. Thus far, the Labor Ministry does not have constructive policies or plans to encourage greater labor productivity through education, training, and mobilization.

Consequently, the gross national product has continued to drop and there is no clear perspective that this tendency will be reversed to make economic growth possible. The contraction of goals in the agriculture and livestock sector, the closure and fall of industrial production, noncompliance with the goals of public investment plans, and the depression affecting commerce in general during the past few months indicate that the economy will worsen in 1992.

The government is responsible for changing those indicators. We believe it is not only necessary to correct some economic policies that have been implemented, but also the course of the economic program. To that end, we believe the following points are important:

A. Incorporate the vast productive potential of small and medium sized producers, especially those individuals who have benefited from the recent property transfers. To do this, the government should design and implement a complete support plan—juridical, organizational, technical assistance and financial plan—through a new

development institution. This institution should work specifically with this broad sector that produces and creates employment.

B. A national production rehabilitation and reactivation plan should be implemented, focusing on the manufacturing and construction industries. National industry is presently at a disadvantage with regard to foreign competition. Financial and technical support should be given to local producers so that they can adjust within a transition period.

C. The government must have an impact on the structural factors that make Nicaragua the most expensive country in Central America. The market by itself is not capable of correcting some of the most important distortions. Corrective measures must be taken immediately.

D. Foreign resources must be oriented basically toward recovering productive capacity and rebuilding the infrastructure, instead of importing consumer goods that are in many cases luxurious.

E. Credits must be distributed fairly, without being concentrated in the hands of a few large scale producers. It has been demonstrated that small producers pay their obligations more expeditiously than large producers. In keeping with this, the state must watch over the preservation and development of national credit institutions aimed at giving preferential financing to small industrial, commercial, or agriculture enterprises.

F. A short-term program to create jobs and revenues on a massive scale for poor sectors must be implemented. The current small-scale agricultural programs, expediting credits for industrial rehabilitation and reactivation, and the programs that promote agricultural exports generate jobs but are usually effective only in the medium term. They are insufficient. The government should immediately allocate resources and capabilities to the activities that absorb labor and have social importance in the departments and zones with the highest unemployment rates:

- Housing construction.
- Better infrastructure and services.
- Reforestation with multiple purposes in mind: Commercial, environmental, production of wood for domestic use, etc.
- Cleaning and environmental improvement programs.
- Supporting small community projects that generate jobs in urban and rural areas.

G. The participation of the state in the storage of rice, beans, and corn; the regulation of the imported goods that affect national products; the tax measures that limit the import of luxury goods; among others, continue to be necessary under Nicaragua's present conditions.

H. The problem regarding natural resources and the environment demands an overall plan of protection and rational exploitation of natural resources, which will only be possible if there is an equitable distribution of wealth to provide a better standard of living for the underprivileged.

I. The demobilized and retired members of the Armed Forces, in particular, should be incorporated into special employment and short-term production programs. They should be given preference in rural development projects, for small urban and rural enterprises, for food production, and in other projects that generate employment.

Likewise, it is indispensable to design and carry out programs for their entertainment and for training in technical and cultural affairs.

A considerable part, if not the majority, of the population is included in one of these categories: Demobilized members of the resistance, Armed Forces retirees, repatriated citizens, and the unemployed. Any system that seeks to reactivate the national economy with social stability should assign top priority to these groups. Up to now, these groups—particularly the demobilized persons and the retirees—have been granted only remedial solutions.

J. An indispensable instrument for economic reactivation is the training of human resources. A good portion of those who own land, shops, and small businesses have a low cultural level and they lack training. Priority should be assigned to basic education, plans for the technical training of producers should be improved, and the university centers should be provided with the resources to improve their quality.

K. A social policy should be established that will provide basic guarantees to the people and will halt the growing deterioration of the living conditions of the majority of the Nicaraguan population. Top priority and immediate implementation should be assigned to programs in the fields of health, education, social security, and in incorporating into society those persons who were greatly affected by the war.

3. Strengthening of Democracy

Everyone is responsible for setting the course of Nicaragua's society and economy. The FSLN has pointed out the dialogue and the concerted effort as instruments for incorporating the various forces of the country into the analysis and search for solutions to the enormous socioeconomic problems. The concerted effort should not restrict itself, however, to sporadic meetings. It should represent a permanent procedure of participation. The social sectors participate in the dialogue, not only to discuss issues concerning the problems that affect them, but mainly to defend and improve their opportunities for active participation in the economy through the

democratization of property, employment, access to credit, improvement of social and cultural well-being, and so forth.

Nonetheless, for the last two years, the concerted effort has been ignored, so we must ensure full implementation of the Concerted Effort Agreements, Phases I and II, so that said process will have credibility and feasibility. There cannot be a true concerted effort when the vast national majorities are unemployed and underprivileged, not active in the country's economic and social life.

Administrative corruption has become generalized, with serious consequences for public morals and the government's ability to carry out an economic program that imposes a great degree of sacrifice on the people. Meanwhile, the social tensions that have accumulated are generating outbreaks of armed violence stemming from the rank and file of organizations or even from armed institutions.

It is necessary to reaffirm the need for a dialogue and negotiated solutions to the conflicts, and to establish the negotiation procedures for settling the most urgent problems. All groups in the nation must work together to search for peace, stability, and national reconciliation.

We reject the use of force and violence in social conflicts as a means for imposing the will of the few. The government has the main responsibility of enforcing prudence and moderation in the face of the crisis, which by its very nature cannot be attributed to the interested minorities. The National Police, as keeper of public order, should refrain from dismissing the people's struggles and not favor force and armed aggression against those who protest.

We reject the plans of both internal and external reactionary sectors to disavow and sabotage the Armed Forces temporary agreements. Likewise, we reject the creation of Somozist-type paramilitary corps in the cities, and the promotion of rearming small bands in rural areas.

The FSLN reiterates the stand adopted by the Sandinist Assembly in its sessions of 14 and 15 November 1991, where it was clearly established that "we will not promote violence as a method of political action and we support the dialogue and concerted effort within the framework of the Constitution."

The improvement and strengthening of a legal framework and of democratic institutions are indispensable requirements to enable Nicaraguans to solve, without serious confrontations or constant violence, the contradictions that are inherent in society.

We are obliged to contribute to the elimination of the culture of force and imposition and to replace it with the culture of law and democracy. After many long years of confrontation and war, the Nicaraguan people reject violence and are hoping for peace and stability.

Laws, institutions, and the government can only be strengthened if they express the consensus of the society and its true needs. The state of law is strengthened when democracy is understood—beyond mere fair elections—as the conscious participation of the people and their organizations in the nation's decisionmaking.

It is the government's duty to open these avenues of participation, genuinely incorporating the needs of the people when it defines policies, coordinating and harmonizing society's contradictory interests.

Decisions such as the suspension of the most important public sector representative on the Central Bank's board of directors should be avoided. Such decisions are inconsistent with the democratic spirit and with this sector's participation in making economic decisions.

Given the above, we consider the following important:

A. It is essential for the government to comply with the agreements signed with various social forces (the unemployed, retired, national agreements, etc.).

B. To immediately proceed with the drawing up of an agenda, procedures, and other details to call for a new round of talks and negotiations that will take up the most urgent socioeconomic problems and initiate the debate on midterm policies and decisions.

C. The executive branch should foster in state institutions the participation of representatives of the Republic's diverse socioeconomic sectors.

D. The judiciary branch should be strengthened and required to fulfill its role.

E. The paralyzing vengeance in the Legislative Assembly should be overcome to enable it to assume its responsibility as the leader in the nation's institutions.

F. We reject the destructive, interventionist positions of those in the Legislative Assembly who are bent on sabotaging—based on personal political ambitions—the efforts for peace, reconciliation, and economic revitalization that the broad national majority supports.

G. We reconfirm the need for a dialogue, for a negotiated solution to the conflicts, and for the need for the whole nation to work together in search of peace, stability, and national reconciliation.

H. To guarantee the EPS function within the constitutional framework, avoiding its use as an enforcer of internal order and in its involvement in matters that the civilian and political authorities should resolve.

The FSLN believes it is essential for Nicaraguans to reactivate the economy. This reactivation, however, should be conducted with justice and equality. It should include all Nicaraguans, especially those engaged in production, and those who are now being excluded, forsaken, and the unemployed. We must incorporate these sectors to the economy to attain the stability and peaceful trend the country must follow. The government must change its economic policy and democratically integrate the majority of Nicaraguans to economic tasks.

Only through the respect, promotion, and development of individual and social property; only through the incorporation of the people to the economy, creating sources of employment and income, can we put into practice the economic alternative we have been building socially, economically, and politically since 19 July 1979.

Nicaragua's future cannot be subordinated to the conditions imposed by foreign aid, nor to proposals alien to our natural interests. It must be based on the potential, creativity, or initiatives the Nicaraguan people have as a nation.

[Issued] On the 12th anniversary. Sandinist Assembly Sandinist National Liberation Front (FSLN) El Crucero, 25 July 1992

Brazil**More on Collor, Farias Corruption Investigation****CPI Finds Links**

PY0308173092 Rio de Janeiro O GLOBO
in Portuguese 2 Aug 92 p 4

[By Jorge Bastos Moreno]

[Text] Brasilia—Ana Acioli and Dario Cesar Cavalcanti, considered President Fernando Collor's closest assistants, received money from the "ghost" Jose Carlos Bonfim, the same person who paid for Collor's Fiat Elba. The CPI [Congressional Investigating Committee] has already obtained evidence that Bonfim is a code name used by the two closest assistants of businessman Paulo Cesar Farias: his partner Jorge Bandeira and his secretary Rosinete Melanias de Carvalho. Using Bonfim's Rural Bank checking account statement, the CPI yesterday discovered this new connection between Farias and the accounts with which President Collor's expenses were paid.

According to CPI members, the evidence that people linked with Farias also issued checks to Captain Dario Cesar can confirm the statement by the driver Eriberto Franca. Franca said that when Ana Acioli was absent, Dario received the money that Rosinete sent for Collor's expenses. Dario Cesar, who was Collor's aide in Alagoas and who was responsible for Collor's security during the election campaign, today is assistant adviser to the president's private secretariat.

It was exactly two years ago—2 August 1990—that the "ghost" Jose Carlos Bonfim began to feed the accounts of Ana Acioli with a check for 1 million cruzeiros (at that time, equivalent to \$12,300), and of Dario Cesar with a check for 600,000 cruzeiros (\$7,400). A member of a subcommittee which scrutinizes bank accounts believes that the report on the Uruguayan bank loan will have doubts cast on it after the total amount of the deposits that Bonfim made in Ana Acioli's account are calculated.

Says a lawmaker: "The deposits that the other ghosts made in Ana Acioli's account already have surpassed the \$3.75 million figure of the Uruguayan loan. The comparison will be even worse after the deposits by Bonfim are added to this amount."

Inquiry Procedure Outlined

PY0308142092 Sao Paulo FOLHA DE SAO PAULO
in Portuguese 31 Jul 92 Section 1 p 4

[By Thais Oyama]

[Text] President Fernando Collor de Mello will be cited in an inquiry that the PF (Federal Police) will send to the Federal Supreme Court [STF]. The inquiry involving the

president resulted from another investigation, technically called the master case, which was opened to investigate the activities of Paulo Cesar Farias [PC] in the government.

Collor's citation clears the way for Attorney General Aristides Junqueira to indict the president. The indictment would involve charges of common crimes. After the PF closes its investigation the documents of the inquiry involving Collor must be sent to the STF. The STF must then return the documents to Junqueira, who will then decide whether the president should be indicted or the case shelved.

In President Collor's case, the evidence uncovered by the police so far points to a case of passive corruption (directly or indirectly requesting or receiving undue favors). The undue favors received by the president would be PC's deposits in the accounts of Ana Acioli, President Collor's secretary responsible for paying his personal expenses.

Officials following the case of the inquiry of the president call it the "Ana Acioli inquiry," and the officials responsible for the Federal Police investigation of PC are only waiting to receive documents requested from the Central Bank to send the PC inquiry to the federal judiciary.

If it is proved that the loan contract that former private presidential secretary Claudio Vieira presented to the CPI [Congressional Investigating Committee] on 27 July is false, Collor also runs the risk of being charged with forgery of legal documents (to omit declarations in a document or to insert false information in it). He signed the document as a guarantor. The PF already heard Vieira once, and they will hear him again. The contract is evidence of a \$5 million loan granted to Vieira by the Uruguayan Alfa Trading [preceding word published in English] enterprise. The former secretary presented the document to the CPI to "prove" that Collor had the means to support himself without PC's assistance.

Although the money was borrowed by Vieira, the former secretary said it was the president who used it. At least one female witness, who must still be heard by the CPI, claims that the contract was forged. The CPI report, scheduled for 11 August, will be annexed to the Acioli inquest.

If the government attorney's office files charges against Collor, the STF can either accept or reject them. A group of jurists understands that after the charges are made they must be screened by the Chamber of Deputies, even if they involve a common crime. Subsequently, the charges would also be judged by the Senate, chaired by the STF.

Other jurists, such as Deputy Helio Bicudo (Workers Party, Sao Paulo state), understand that after the STF receives the charges the STF president must send an official note to the Chamber of Deputies president who could decree the temporary removal of the president of

the Republic while the STF passes judgment on the case. If he is pronounced guilty, the president will lose his post.

Farias Threatens To Disclose Names

PY0408020692 Madrid EFE in Spanish 1700 GMT
3 Aug 92

[Text] Brasilia, 3 Aug (EFE)—Businessman Paulo Cesar Farias, the main individual accused of the corruption which is jeopardizing Brazilian President Fernando Collor's position, has threatened to disclose the names of congressmen whose electoral campaigns he financed, according to today's issue of JORNAL DO BRASIL.

A Farias relative told JORNAL DO BRASIL that Farias, who was the treasurer of Collor's presidential campaign, is surprised by the "hypocritical" comments by federal deputies who talk about morality but who were elected with his financial assistance.

According to the daily, Farias met with his family to prepare his defense strategy before the Congressional Investigating Committee (CPI), which is studying the charges against him.

He also handed over to his lawyers the list of deputies he helped in the 1990 elections, to prepare a plan to exert pressure on the congressmen who accuse him.

Two weeks ago former Deputy Sebastian Curio admitted before the CPI that on Collor's orders Farias financed his congressional electoral campaign.

According to opposition leaders, with the threat of disclosing the names of congressmen who he helped, Farias wants to win allies for the government in the congressional vote which might decide on an impeachment to oust Collor.

The government, which already knows that it is impossible to stop a call for impeachment against Collor, is now preparing another strategy to guarantee its support in the Chamber of Deputies, through the selective distribution of official resources for public projects in districts run by politicians with an inclination toward the government.

Vieira 'Not To Surrender' Documents

PY0408034992 Rio de Janeiro Red Globo
Television in Portuguese 2300 GMT 3 Aug 92

[Text] Claudio Vieira, President Fernando Collor's former private secretary, has decided not to surrender documents on the loan he is said to have received in Uruguay. Today the CPI [Congressional Investigating Committee] investigating Paulo Cesar Farias decided to ask for additional information on one of the suspicious accounts.

Ghost Jose Carlos Bonfim's bank history is still incomplete. The Rural Bank sent copies of only 94 of the total of 392 checks requested by the CPI. The CPI will

reiterate its request, but the group of legislators in charge of the fiscal investigation has already finished its work and will deliver its report to the CPI president tomorrow. After analyzing the fiscal documents on PC Farias' companies, and the income and assets reports on PC Farias's, his partners, and his secretaries, the group no longer has any doubts: At least 15 individuals were guilty of the crime of illegal enrichment.

[Begin Deputy Odacir Klein recording] Names like PC Farias, Commander Bandeira [not further identified], names like those. [end recording]

Some parts of the loan contracted with Alfa Trading confuse investigators. The \$5 million promissory note presented by former secretary Claudio Vieira does not match the contract description. The CPI waited the entire afternoon to receive the documents.

Former secretary Claudio Vieira had until 1500 this afternoon to present the original of the contract with Alfa Trading and other documents proving the loan operation. Vieira, however, cited the penal code, and following the advice of three lawyers said that he feels he was being treated as the accused, and not a witness. Vieira added that under those conditions he does not have any obligation to present any documents.

[Begin CPI President Deputy Benito Gama recording] Mr. Vieira is a witness. He is not the accused [words indistinct]. We have to discuss this at the committee meeting to take the appropriate legal steps. [end recording]

The scheduled period for hearing testimonies ends tomorrow, with the testimonies of the directors of Tratex [Tratex Engenharia] and Setembro [Setembro Engenharia], the two main clients of PC Farias's EPC [Empresa de Participacoes a Construcoes]. The CPI president wants to finish all works on the 11th [no month as heard], and asked Congress President Senator Mauro Benavides for an additional two weeks to elaborate, discuss, and vote on the final report.

[Begin Benavides recording] The most important thing is to find the truth. We are going to do that even if we have to spend a little more time doing it, maybe another week. [end recording]

'Operation Uruguay' Said Linked to ASD Project

PY0308152092 Rio de Janeiro O GLOBO in Portuguese
1 Aug 92 p 4

[Text] Brasilia—Secretary Sandra Fernandes has established a direct relationship between what she calls "Operation Uruguay" and an ASD [initials of owner Alcides de Santos Diniz] real estate project in the Marginal Pinheiros area. According to the secretary, the ASD [company] was facing financial trouble, and its survival depended on the approval of the entrepreneurial and hotel project.

According to Fernandes, Diniz contacted Previ [expansion unknown], one of the country's strongest pension funds, linked to the Bank of Brazil, in order to make the project viable. The negotiations began a year ago and reached Petros [Petrobras Pension Fund] where, according to Sandra, former Strategic Affairs Secretary Pedro Paulo Leoni Ramos was the main go-between.

The ASD project, reported the secretary, went as far as President Collor's desk. The president sent it to then [Economy] Minister Zelia Cardoso de Mello. Nevertheless, Diniz finally decided to ask for PC [Paulo Cesar] Farias' help.

Fernandes said: "PC included his representatives in Sao Paulo, Messrs. Luiz Octavio Gomes and Ademar Ferreira, in the negotiations."

Diniz reportedly even agreed to pay a 12-percent commission to the PC scheme that would act as a go-between in the negotiations with Previ.

ASD Business Director Sergio Pascoalini reportedly told Fernandes: "In Brazil, everything is like this, Sandra. If not, people get nothing. Rest assured that your portion has been guaranteed also."

With the transaction nearly closed, Sandra said everyone in the company was optimistic. Nevertheless, Pedro Collor's charges against PC interrupted the negotiations with Previ. Pascoalini, Sandra reported, did not conceal his concern over the CPI [Congressional Investigating Committee].

Pascoalini reportedly said: "That is a buffoonery. It is interfering with everything and began with Pedro Collor's testimony. Nevertheless, it will end and everything will return to normal."

According to the secretary, the atmosphere at the ASD [company] again changed immediately after "Operation Uruguay" began.

Sandra reported: "They again became optimistic, especially after Claudio Vieira's testimony, with his version of the Uruguayan loan. They even celebrated."

After Sandra's testimony, former [Economy] Minister Zelia stressed that she was unaware of the ASD project, denying that she ever handled it.

Officials Look For Means To Prevent Impeachment

PY0308154492 Rio de Janeiro O GLOBO in Portuguese
1 Aug 92 p 3

[Report by Sergio Leo]

[Text] Following a suggestion by [Government Secretary General] Jorge Bornhausen, President Collor instructed Economy Minister Marcilio Marques Moreira to try to find, by 3 August, a way to increase the disbursement of funds for the government's allies in an effort to consolidate the base supporting the government to confront the

opposition vote on Collor's impeachment [preceding word in English], and to approve the fiscal reform, among other projects. This was the result of the meeting held on 31 July by the president, his economic team, five ministers, and the presidents of the official federal banks.

Bornhausen, who addressed the meeting shortly after President Collor opened it, said: We need a solid base in Congress to pass the fiscal reform and to face the inevitable request for an impeachment by the PT [Workers Party], the PSDB [Brazilian Social Democracy Party], and the PMDB [Brazilian Democratic Movement Party].

Marques Moreira's team carried documents intended to uphold new restrictions on public accounts, including a reduction of investments in Collor's priority projects, such as the construction of houses, and the Xingo hydroelectric dam. [Social Action Minister Ricardo] Fiuza ruled out this proposal because it does not help the government in Congress.

After the meeting, an adviser to Marques Moreira noted that the political coordinators had stated that the vote will decide the dispute over the impeachment, and that the government will have to accept the request for additional funds disbursement.

The uncertainty on the course of the economic policy caused concern at the Economy Ministry and led the minister to move forward the trip to Washington—scheduled for 3 August—of two experts to negotiate with the IMF the goals for the government's accounts in the second half of the year. The team left Planalto Palace uncertain of whether President Collor will give up on 3 August his austerity policy regarding public expenditures in order to guarantee his term in office.

Economic Policy Secretary Roberto Macedo said: We will exercise our creative capacity to redefine priorities and to adjust the budget to political needs.

Bornhausen said: The government must exercise its responsibilities and provide to our parliamentary base the conditions to state that we are working for their communities and electors. The meeting that began at Planalto Palace continued at the Economy Ministry in the afternoon and in the early evening hours with fewer participants. Marques Moreira had lunch with the team and Mines and Energy Minister Pratini de Moraes. Upon leaving the Ministry, Pratini denied that the government had decided to cut the budget for the Xingo hydroelectric plant as proposed by Marques Moreira's team. In the afternoon, Marques Moreira and his advisers met for almost four hours with Fiuza and Federal Savings Bank [CEF] Chairman Alvaro Mendonca. Fiuza and Mendonca want the government to extend the limits of indebtedness of the official financial institutions to make the CEF increase the funds available for civilian construction programs.

They suggested Marques Moreira lend the CEF resources from funds like the Assistance Fund for Workers [Fundo de Assistencia ao Trabalhador] [FAT], which finances the unemployment insurance, and the BNDES [National Bank for Economic and Social Development]. Fiuza also wants in some way to compensate for the loss of revenue at his Ministry because of the restricted budget caused by a drop of 2 trillion cruzeiros that Finsocial [Social Investment Fund] failed to collect.

On leaving the Economy Ministry, Fiuza guaranteed that the government would continue with its economic austerity program, and that it will try to "improve" the budget. He is the minister who more strongly defended the need for the government to accept pressure from its allies for more funds. The meeting was also attended by Transport and Communications Minister Affonso Camargo, a Brazilian Labor Party member, and acting Agriculture Minister Paulino Garcia.

Parties Cooperating on Impeachment Process

*PY0308180292 Sao Paulo FOLHA DE SAO PAULO
in Portuguese 30 Jul 92 Section 1 p 15*

[By Josias de Souza, executive director of the Brasilia bureau; Gilberto Dimenstein, director of the Brasilia bureau; and local correspondent Andrew Greenlees—the word impeachment is published in English throughout the article]

[Text] A secret effort involving Luis Inacio Lula da Silva, president of the PT [Workers Party], and former President Jose Sarney is seeking a grand agreement that will make viable the impeachment of President Fernando Collor and the rise to the Presidency by Vice President Itamar Franco. Also, the type of government of national union to support Franco until 1995 is already under discussion.

In addition to Da Silva, the group is also headed by the leaders of the two main political parties: Orestes Quercia (PMDB) [Brazilian Democratic Movement Party] and Tasso Jereissati (PSDB) [Brazilian Social Democracy Party]. It has ramifications in Congress which include such heavyweights as Ulysses Guimaraes (PMDB- SP) [PMDB-Sao Paulo State] and Fernando Henrique Cardoso (PSDB-SP).

After two months of discussions the impeachment bloc has decided to roll up its sleeves. Starting with the conclusion that the Collor government is on the ropes, the group is taking action on two fronts: 1. It is trying to convince Franco to signal clearly that he is willing to ditch his traditional nationalist stance and adopt a more modern demeanor. 2. It is trying to attract the government bloc in Congress.

Joint Action

The group has concluded that the impeachment proceedings can be taken over in a joint action that would include even former government supporters. According

to this reasoning, which is based on the Constitution, even before the investigation begins the president will be removed from office for 180 days as soon as the Chamber of Deputies votes positively on the crime of malfeasance. The participants in the effort believe that the resignation will be handed in at that time. During the past few days several telephone calls have been made from Cardoso's Senate office to Franco's office located in the Planalto Palace annex. Cardoso's talks with the leaders of the proimpeachment movement have been called encouraging. Franco is not adverse to the idea of heading a national union administration if he becomes president.

During the past few hours the presidents of opposition parties have increased their discussions on how to support Franco. The PMDB has no intention of participating alone in an eventual Franco government. It wants the PSDB and the PT in the national union. The PSDB has already signaled that it will accept, but Da Silva's party has not yet given a definite answer.

PT envoys have already contacted Franco to get his views on the country's situation. Top members of the effort believe that the PT is "evaluating" the vice president. In the case that it decides to join the national union, the PT leadership will most probably have to face internal resistance, but without the participation of the PT the national union will run into difficulties.

PFL [Liberal Front Party]

The organizers of an eventual government of national union are also discussing how to deal with the PFL at this time. They believe that some PFL groups will support the impeachment, but there is no agreement regarding the PFL's participation in Franco's political base.

Quercia has already told congressmen linked to Antonio Carlos Magalhaes, governor of Bahia state and a key man within the PFL, that he wants to hold talks. Quercia is being extremely cautious in his approach in order to prevent the discontent of the Bahia state PMDB, which is a traditional opponent of ACM [Antonio Carlos Magalhaes].

It is being stressed within the PMDB that contacts with ACM will create problems with the PT, but the response will be that there will be no impeachment without the Bahia state governor.

The strengthening of the proimpeachment initiative and the subsequent government of national union were discussed at length by the top leaders of the PMDB the night of 28 July. The discussion took place in the home of Ibsen Pinheiro, Chamber of Deputies president, with the participation of Quercia; Senator Mario Benevides (CE) [of Ceara state], president of the Congress; former President Jose Sarney; and the PMDB leaders in the Chamber of Deputies and the Senate.

The pressure of public opinion, especially in an election year, was considered fundamental in convincing the PFL, or at least a part of it, to abandon the government. In order to cut Collor's mandate by 30 months, two-thirds of the Chamber of Deputies and Senate must be convinced that Collor and Paulo Cesar Farias, alias PC, must step up on the scaffold. This will not be possible without the unity of the parties that aligned with Planalto Palace such as the PFL, PDS [Social Democratic Party], and the PTB [Brazilian Workers Party].

The PFL is the prime target of the defenders of impeachment. The group is trying to drive a wedge in the main party that supports the government. A week ago Jereissati telephoned Sarney wanting to know how the situation stood. He asked about ACM's position.

ACM is keeping one foot in the government's trench. It is in his interest to keep a weak and manageable Collor in Planalto Palace. The governor's other foot is coyly playing with the opposition.

The PFL is beginning to crack in Pernambuco state. Politically the state is divided into two regions: the "Jungle Zone" and the city of Recife, a traditional opposition fortress. The impeachment group believes that Governor Joaquim Francisco [Cavalcanti] sides more with Recife than with the jungle. Jamil Haddad's PSB [Brazilian Socialist Party] (12 congressmen) and Roberto Freire's PPS [Socialist People's Party] (three congressmen) support impeachment—not very many. Cavalcanti had two telephone conversations with Espiridiao Amin, of Santa Catarina state, the PDS leader in the Senate.

Amin, who is known for his independence where the government is concerned, is stepping on the corns of the heavyweights who want to cut Collor's term in office. He says that if Collor falls, the country will enter a phase in which everything that is suspect will have to be investigated: "Quercia will not escape freely in that phase," he said, and "what would Da Silva live off?" he concluded.

PDT [Democratic Workers Party]

Leonel Brizola's PDT has already suffered its first two defections. The governor of Rio de Janeiro state is running the risk of remaining alone at Collor's side. His blocs in the Chamber of Deputies and the Senate have made a joint movement to rehearse their support for impeachment. Senator Mauricio Correia (DF) [Federal District], vice chairman of the Collorgate CPI [Congressional Investigating Committee], reservedly stated that at this time not even his mother could convince him to vote for Collor.

Chamber of Deputies President Interviewed

PY0408013092 Rio de Janeiro O GLOBO
in Portuguese 2 Aug 92 p 3

[Interview with Chamber of Deputies President Ibsen Pinheiro by correspondent Jorge Bastos Moreno; place and date not given]

[Text] [Moreno] Do you agree with President Collor that there is no crisis, but in fact a power struggle?

[Pinheiro] Any event in a democratic society can serve as a power struggle. Nevertheless, one has to be conscious that not everything originates or happens because of a power struggle. This crisis was nonpartisan in its origins. It originated in the president of the Republic's most intimate circle, including his family and direct aides. It is clear that a crisis involving the president cannot be nonpartisan. Congress is not involved in the crisis. It is not part of it. It is simply an arbiter, and represents an outlet for the unfolding of the crisis.

[Moreno] The CPI [Congressional Investigating Committee] is being charged by the government with harboring electoral interests, especially after Senator Eduardo Suplicy (Workers Party-Sao Paulo State) presented a witness contradicting the version presented by former Secretary Claudio Vieira.

[Pinheiro] As an institution, I consider the CPI to be irreproachable. Chairman Benito Gama's and Speaker Amir Lando's chairmanship represents an attitude of moderation, discretion, dedication, and competence. Nevertheless, the CPI includes men, men represent parties, and not all of them have the same composure. I believe such blatant attitudes as the one mentioned in your question do not contribute to the CPI's good work. Other stances, including extraordinary ones, sometimes defend the president. Nevertheless, they are the opinions of a minority.

[Moreno] How will you route the CPI report if it mentions the president of the Republic?

[Pinheiro] In the first place, I would like the investigation to be completed by the original deadline. I believe the investigation must be profound and complete, but observing the deadlines, so that it does not become an unending dispute between political groups. I can already note that when the issue reaches my hands, it will be handled as expeditiously as possible. Of course—and it is not necessary for me to mention it—I am going to act with the impartiality that my post requires. I am the chief arbiter of this formality and, of course, formalities are neither pro-government nor pro-opposition—they are legal.

[Moreno] As you are an important PMDB [Brazilian Democratic Movement Party] figure, and as the destiny of the work by the CPI—and ultimately the destiny of the president of the Republic—lies virtually in your hands, your positions are always watched by the government, which either says "Ibsen has joined the coupist syndicate," or extols your disengagement from that "syndicate." Does there actually exist a "coupist syndicate?"

[Pinheiro] It is a political expression used by the president of the Republic during a political argument. It is not appropriate for me to pass judgment on its use nor on the responses that the president heard—which were not moderate, either. I can actually say that Congress does

not conspire with, nor is it a tool for, partisan actions. Nevertheless, I perceive that some pro-government people are surprised by the fact that I consider quite likely that an impeachment [preceding word in English] process will begin.

[Moreno] And why do you consider such a possibility likely?

[Pinheiro] The possibility arises from the few initial requirements, and from the size of the acting political forces. I therefore consider that the beginning of proceedings for an impeachment [preceding word in English] request is more than possible—I am even saying it is inevitable. The second phase, when discussions begin to penetrate into content, is not so clear to me. I am also saying that Congress participates in this process as an arbiter not only because of the constitutional function it exercises, but also because of the sentiments of society. Whatever the unfolding of the crisis, it will be an institutional one. Congress represents an antidote for adventures of any sort. The cancellation of the paths that Brazil began to take during the past two years, for example, is not under discussion. Many of the positions that President Collor championed during his electoral campaign have now become part of society's conscience—such as, for example, the modernization of the state, the abolishment of cartels, and the fight against corporatism.

[Moreno] Nevertheless, the president actually alleges that the impeachment [preceding word in English] request is being pursued by people who had their interests contradicted during those transformations.

[Pinheiro] The president is making a political assessment of a subjective nature. I am not contradicting it, and I am also not subscribing to it.

[Moreno] What procedures will you go through after receiving the charges against the president?

[Pinheiro] The first examination involves legal requirements: that the request be made by a citizen, and that clues be given as to the evidence. The CPI cannot file charges against the president of the Republic. Any citizen can use the facts that the CPI can find. It is possible that the charges will include evidence such as facts investigated by the CPI, the federal police, the government attorney's office, and even the Federal Revenue Office. As soon as I receive perfectly formal charges, I must submit them to the [Chamber of Deputies'] plenary for the election of a special partisan committee that will pass judgment on whether the issue must or must not be the target of discussions. This will be the first thing to be voted on after the election of the committee.

[Moreno] Is that vote for the Chamber of Deputies to decide on whether it accepts the charges, or does the Chamber of Deputies accept the charges after the formation of the committee?

[Pinheiro] The president [of the Chamber of Deputies] makes a preliminary assessment as to the formal perfection of the charges. Afterwards, without any discussion by the plenary in this regard, a committee is elected. The committee passes judgment, deciding whether the issue will or will not become the target of discussions. After that vote, a deadline is established for the defense and for a final vote, authorizing the Senate or the Supreme [Federal Court] to sue the president for malfeasance or for a common crime. We are talking about an intermediate vote—between the election of a committee and the final decision.

[Moreno] And what quorum is required for that vote?

[Pinheiro] As the law does not mention a quorum, jurists have different opinions on this. Some jurists believe the first vote must involve a two-thirds majority, and other jurists fifty percent plus one vote.

[Moreno] And what do you believe?

[Pinheiro] I do not require a decision now because there are also two other possibilities: a rejection or approval by a majority exceeding two-thirds. The only possibility requiring a decision by the president of the Chamber of Deputies is if there is an approval but the two-thirds majority is not reached.

[Moreno] How far does the Chamber of Deputies participation go?

[Pinheiro] After an approval during the first vote, there will be a contradictory process during the second phase, with an open defense of the president of the Republic and subsequently a final decision, authorizing or not authorizing the Senate or the Supreme [Federal Court] to sue the president.

[Moreno] Does that special Chamber of Deputies committee that will review the charges have CPI powers, or can it have more extensive powers to investigate the president of the Republic?

[Pinheiro] It is forbidden for an inquest committee to investigate the president of the Republic. Only the Chamber of Deputies as a whole can do it.

[Moreno] After the vote, if the charges are approved and submitted to the Senate, does the Chamber of Deputies conclude its participation?

[Pinheiro] The Chamber of Deputies becomes the plaintiff and appoints three representatives to keep up with the procedures in the Senate.

[Moreno] How long do you believe those procedures will take in the Chamber of Deputies?

[Pinheiro] It is difficult to talk about deadlines because the simplest political decisions often become complicated.

Ex-President Geisel To Support Congress

PY0408024692 Madrid EFE in Spanish
2254 GMT 3 Aug 92

[Text] Brasilia, 3 Aug (EFE)—Former Brazilian President General Ernesto Geisel said today that he will support the constitutional decision made by Congress on the current political crisis that may lead to the ousting of President Fernando Collor de Mello.

General Geisel, retired, 84 years of age, did not show any solidarity with President Collor. He defended the rule of law, and expressed dissension with any hasty decision.

The defense of the 1988 Constitution, which is also supported by the commands of the Armed Forces, means that Vice President Itamar Franco will be installed if Collor de Mello resigns or is ousted by Congress.

So far the Armed Forces have stayed out of the political discussions, in contrast to their historical tradition for coups, and have promised to abide by the Constitution.

The commands have warned, however, that they will repress any disruption of public order derived from the political crisis, which is the most serious in recent Brazilian history.

The cautious position adopted by the military commands is not shared by the clubs of retired officers, especially the ones from Rio de Janeiro and Fortaleza, which have demanded Collor de Mello's resignation.

According to the ESTADO news agency the military chiefs and the leaders of people on pension have harshly criticized the generalized network of corruption mounted by businessman Paulo Cesar Farias under the shadow of Collor de Mello.

General Leonidas Pires Goncalves, retired, former Army minister, said: "If the civilian power represented by Congress approves the ousting of the president, military interference will have no meaning."

Pires added: "Congress has the instruments and means to resolve the crisis, and it has shown the ability to administer it."

After the 1964 coup against President Joao Goulart, the Armed Forces governed the country for 21 years, and handed it over to civilian Jose Sarney, who was elected by Congress, in 1985.

Collor de Mello, 42 years of age, succeeded Sarney, and he is the first president elected in direct elections since 1960.

Reserve Military Officers View Collor Case

PY0308213992 Sao Paulo FOLHA DE SAO PAULO
in Portuguese 30 Jul 92 Section 1 p 14

[From the Rio de Janeiro bureau]

[Excerpts] Reserve General Nilton Cerqueira, 62, president of the Military Club, said on 29 July that "the president's resignation would be the best solution for the country" if the charges that have been made by secretary Sandra Fernandes de Oliveira are confirmed. "There is no way that President Collor can remain in the government," he said.

Reserve General Newton Cruz, 67, former SNI [National Service for Intelligence] chief during the Figueiredo government, also supports Collor's resignation.

Cruz said that "if everything is confirmed and he does not resign, then impeachment is the only way out."

The former SNI chief said that "I do not believe that everything is true." It is his opinion that if Collor does not resign and Congress does not approve an impeachment, then "every single institution will be discredited."

Cerqueira stated that the military is concerned with the country's external image and with the possibility that the public administration will be "affected tremendously" during an eventual impeachment process. "Our presidential system is centralized and we would have a totally weakened president," he emphasized.

Reserve Brigadier Octavio Monteiro de Araujo, 62, president of the Aeronautics Club, has indicated that he is "perplexed" by the testimony of the secretary of the ASD [Alcides dos Santos Diniz] enterprise. [passage omitted]

The remarks of the military men coincided with an engagement that Collor had scheduled with the heads of the three Armed Forces ministries for 29 July.

None of the reserve officers who voiced their concerns on 29 July in Rio de Janeiro gave an opinion on Vice President Itamar Franco's frequent contacts with the military ministers.

The Armed Forces have maintained a prudent attitude since the beginning of the activities of the CPI [Congressional Investigating Committee], which in principle should only have investigated how businessman PC [Paulo Cesar] Farias came by his wealth.

Education Minister Goldemberg Resigns

PY0408014792 Madrid EFE in Spanish
0034 GMT 4 Aug 92

[Text] Brasilia, 3 Aug (EFE)—Brazilian television news-casts reported tonight that Education Minister Jose Goldemberg, 63, tendered his resignation to President Fernando Collor today.

According to these sources, one of Goldemberg's advisers handed the minister's resignation to Presidency Secretary General Marcos Coimbra. Goldemberg, who is in Sao Paulo, may leave for Brasilia to meet Collor in the next few hours.

This morning, eight high-ranking officials of the presidential palace press secretariat tendered their resignations, two days after the resignation of presidential Press Secretary Pedro Luiz Rodrigues was made known.

Goldemberg leaves the government when it is about to end the work of the Congressional Investigating Committee (CPI) which is investigating President Collor's links to the charges of corruption, illegal enrichment, and influence peddling against businessman Paulo Cesar Farias, who was the treasurer of Collor's presidential campaign in 1989.

Deputies and commentators have asserted that the CPI will request that Congress begin the political process which may result in President Collor's impeachment.

[In a similar report Rio de Janeiro Rede Globo TV in portuguese at 0209 GMT on 4 Aug reports "Education Minister Jose Goldemberg has tendered his resignation. Deputy Eraldo Tinoco, secretary general of the PFL [Liberal Front Party], has been designated the new education minister."

'Ethics' Reason for Resigning

PY0408042592 Rio de Janeiro Rede Manchete
Television in Portuguese 0321 GMT 4 Aug 92

[Interview with former Education Minister Jose Goldemberg by correspondent Paula Ligassachi on 3 August, place not given—recorded; recording ends in progress]

[Excerpt] [passage omitted] [Ligassachi] Minister Jose Goldemberg, who has already resigned, spent the entire day in Sao Paulo. Tonight he commented for the first time to Rede Manchete and some radio stations on the reasons that led him to resign.

[Goldemberg] I joined the government two and a half years ago to help the Brazilian people, to try to solve the problems of the Brazilian people, to contribute to their solution. I contributed to it as science and technology secretary for one and a half years, and as education minister for one year.

The government I joined two and a half years ago is no longer the same government. The projects it had to favor the Brazilian people...[pauses] It has gradually become a government that is more concerned about surviving than about solving the large problems of the Brazilian people.

As a matter of fact, I believe that to modify the criteria of the priority given to certain allocations, or to change for political reasons the names of those who were going to receive the allocations—if this has really occurred—is something extremely inadvisable.

[Ligassachi] You are leaving the government because you believe it is losing its sense of ethics?

[Goldemberg] I believe several government aides have lost their sense of ethics, and they should have been dismissed a long time ago. As I said, I believe the

government is now more concerned about surviving than about solving the problems of the Brazilian people. The only reason I joined the government was to try to solve the problems of the Brazilian people, and not to become concerned about the survival of congressmen who may be running the risk of losing their seats, of governors who will be elected in October, or even about the permanence of certain people in their public positions.

A decision to resign is always very personal. I already have occupied other public positions, and I am now resigning my position as a minister. This is always a very personal matter. I believe we should not demand that from other people... [passage omitted]

Government Considering Utility Rates Increase

PY0308235192 Rio de Janeiro O GLOBO in Portuguese
1 Aug 92 p 3

[Text] Brasilia—The Economy Ministry may readjust public utility rates above the inflation rate as one of the alternatives to obtain additional resources and to assist political parties supporting the government. A proposal in this regard was submitted to Planalto Palace in a meeting held on 31 July. The government is already analyzing these readjustments—especially for electricity and oil by-products. With the state-owned enterprises collecting money, they will be able to pay their debt to the Treasury which, in turn, will have funds to distribute to the ministries.

The government and the IMF have already agreed on an average price readjustment of 15 percent in real terms this year. The ministry's readjustment will now surpass the IMF's expectations. The members of the economic team stated that during the meeting at Planalto Palace, the need for state-owned enterprises to register surpluses was noted, because the government is facing difficulties in meeting the IMF's goals in other fields.

The Economy Ministry does not yet know the readjustment rate to be implemented to meet the political demand. It reported, however, that electricity is one of the few utility rates that did not have a real increase with respect to the 311-percent accrued inflation registered this year, according to the General Price Index reported by the Getulio Vargas Foundation. The electricity rate was increased 5 percent in real terms below the above figure. The following fuels have registered a real increase this year: diesel oil, 32 percent; cooking gas, 5 percent; and gasoline and alcohol 0.5 percent.

In the telecommunications field, the price of the basic telephone subscription has been increased by 11 percent above inflation this year, the telephone token 27 percent, local pulse service 11 percent, and interurban service 18 percent.

Marques Denies Changes in Economic Policy

PY0408025592 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 3 Aug 92

[Text] The economy minister, the social action minister, the transport minister, and the presidents of the National Savings Bank and the Bank of Brazil participated in a meeting at Planalto Palace today.

Government investments were discussed during the afternoon. Economy Minister Marcilio Marques Moreira received the figures prepared by his economic team showing that revenues had fallen, treasury money levels were low, and the government needed to cut down and not increase expenditures.

Minister Marques Moreira and his economic team were scheduled to have a meeting with President Fernando Collor at Planalto Palace this afternoon to discuss the reorganization of the budget. Before leaving for the meeting, Marques Moreira told his closest advisers that he preferred to go alone, but emphasized that he was determined to maintain the policy of not spending more than what was in the chest. At the end of the meeting the minister talked to reporters to convey a very practical message: Before thinking of opening the Treasury, it is necessary to know what is inside.

Public accounts and the economic team's unity are not threatened, the minister said. The economic team is still studying the budget reorganization and further cuts. Those are President Collor's instructions, the minister concluded.

[Begin Marques Moreira recording] We are not suffering any illegitimate pressures of any kind. The president gave us instructions to strive to determine the priority of legitimate needs and the possibility to meet them. [end recording]

Social Action Minister Ricardo Fiuza stressed that the government will not link the liberation of funds to the political crisis. Fiuza said that ministers of political parties who support the government also support austerity measures.

[Begin Fiuza recording] It is difficult to work with 59 percent budget cuts. We agreed to use imagination and make the best possible use of the available resources. But the government team is united, and we will safely reach port. [end recording]

Military Household Chief, Others Promoted

PY0308192492 Rio de Janeiro O GLOBO in Portuguese 1 Aug 92 p 8

[Summary] According to the 31 August issue of the official gazette, military household chief, General Agenor Francisco Homem de Carvalho, has been promoted to the rank of division general. The official gazette also published other promotions: Benedito Onofre Bezerra Leonel to Army general; Candido Vargas

Freire and Lelio Goncalves Rodrigues da Silva to division general; Rear Admiral Arlindo Viana Filho to vice admiral; Vicente de Paula Casales, Oscar Moreira da Silva, Nelio da Silva, Jose Alfredo dos Santos, and Ricardo Antonio da Veiga Casra to rear admiral; Carlos Almeida Baptista to lieutenant brigadier; Marcio Callafange to major brigadier; and Reginaldo dos Santos to Air Force brigadier.

Lafer Meets With French Trade Minister

PY3107191292 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 31 Jul 92

[Text] One of the priority subjects for Brazil in the field of foreign trade is to put an end to the subsidies of agricultural products that currently exist in several countries. This was one of the subjects discussed by Brazilian Foreign Minister Celso Lafer and French Foreign Trade Minister Bruno Durieux in support of international multilateral trade.

[Begin Lafer recording] On this occasion, I reiterated the interest and importance the Brazilian Government attaches to the successful outcome of the Uruguayan round of GATT talks, because Brazil is convinced that a properly negotiated and agreed upon international multilateral trade system is essential. [end recording]

Many countries want an end to agricultural subsidies, which are nonetheless maintained by the EC countries and Japan.

The French minister, who also met with Brazilian Transport and Communications Minister Afonso Camargo, said the French Government wishes to invest in the fields of transport and communications in Brazil.

Durieux reported that French public and private companies are interested in building roads and railways in Brazil. According to (Juarez Jafe), international affairs adviser for the Transport and Communications Ministry, France may play an important role in the establishment of mobile telephone services in Brazil.

[Begin (Jafe) recording] French telephone and telecommunications companies are very interested in participating in this business, and they will probably supply us with the equipment. [end recording]

Minister Camargo informed the French minister that the substance for the bid to install mobile telephone services in Sao Paulo on a public wave band will soon be made public.

Concern Over Nuclear Plant Expenditures Revealed

PY0308160492 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Aug 92 p 15

[Report by Tania Malheiros and Telmo Wambier]

[Text] Rio de Janeiro—An audit promoted by the National Accounting Office (TCU) at the request of the

prosecutor general of the Republic in Rio de Janeiro identified "large losses of public resources" in investments it considers "unnecessary, ineffective, and inefficient" in the construction of Brazilian nuclear plants. The final report issued by the auditors, obtained exclusively by the Estado News Agency, expresses concern over expenditures made thus far to construct the nuclear plants Angra-2 and Angra-3, and asks the Mines and Energy Ministry and Furnas Electric Power Plants, Inc. [FCE], which are responsible for the works, to review the construction of those two nuclear plants.

Luciano Brandao Alves de Souza, auditing team coordinator, feels that the historical development of the Brazilian nuclear project is confusing and indefinite. According to him, "the managing institutions lack solid administrative and operational policies. The result of the auditing is in line with the announcement made last month by Mines and Energy Minister Marcus Vinicius Pratini de Moraes that the construction of Angra-2 will continue... Pratini has reported that the government had concluded negotiations in Germany for the release of \$860 million (3.6 trillion cruzeiros) for Angra-2, \$580 million (2.4 trillion) of which have already been available since June 1975, when the nuclear agreement was signed. The minister also said that he negotiated another sum of \$280 million (1.2 trillion cruzeiros).

The TCU auditing work was requested by Paulo Bessa, prosecutor general of the Republic, who promoted a public civil action in July last year requesting the embargo of the works of Angra-2 and 3. Bessa argues that according to the new Constitution, those two plants can no longer be erected without congressional approval. Judge Andre Jose Kozlowsky of the fifth Federal Court of Rio de Janeiro accepted the request issued by the prosecutor, but Furnas achieved a preliminary order against the judge's decision.

According to Alves de Souza, the information given to the auditing team by FCE and the Nuclear Industries of Brazil (INB, which replaced Nuclebras [Brazilian Nuclear Corporation], was not satisfactory. Therefore, he has requested new control of the same accounts within a six-month period. The TCU wants FCE to explain, among other things, several contracts made in 1977 with indefinite deadlines to build the plants, involving works and services frozen since 1986.

According to the auditors, delay in the plants' construction has caused a distortion in the cost-benefit relationship, because an infrastructure was established for the functioning of three units, while only one began operation (Angra-1). They made it clear that there was a flagrant imbalance of costs which today "result in unnecessary expenditures."

Colombia

Authorities Deny Knowledge of Escobar's Detection

PA0308231292 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2254 GMT 3 Aug 92

[Text] Colombian authorities neither confirmed nor denied reports from the United States that said U.S. Orion aircraft had spotted Pablo Escobar Gaviria.

According to reports from Washington, one of the Orion aircraft intercepted several communications from the confessed drug trafficker and located the place from where they were made, which reportedly was somewhere in the Middle Magdalena region of Antioquia Department.

National Police and Defense Ministry sources consulted by this radio station claimed to have no knowledge of the detection but admitted that intense searches are being carried out in different parts of Antioquia to try to find Pablo Escobar, who escaped from an Envigado prison on the morning of 22 July.

Prosecutor General Reports on Envigado 'Resort'

PA0308204592 Santa Fe de Bogota Inravisión Television Cadena 1 in Spanish 1630 GMT 3 Aug 92

[Text] The more we learn about Envigado Prison, the more our national embarrassment grows. Pablo Escobar had everything in his prison from computers to conference halls, several cabins at his disposal, and all sorts of communications equipment. All the rumors that were circulating about the prison have turned out to be true. The only people who did not know about this were the authorities. The prosecutor general of the Republic visited La Catedral over the weekend of 1 August and reported on this situation.

Pablo Escobar continued active in the drug business from the prison. Through the use of modern computers, the narcotics trafficker received information from abroad, managed his bank accounts, and conducted business transactions. Just in case there were problems with the computers, Escobar had cellular telephones to call any place in the world.

Prosecutor General Gustavo De Greiff made these disclosures.

[Begin recording] [De Greiff] There was a modem system for transmitting computer information abroad. There were computers that were, of course, operated by some of the prisoners.

[Unidentified reporter] Does that mean Escobar calmly continued his business while being protected at the prison?

[De Greiff] Apparently that is the case, and our citizens have every right to feel outraged over this. [end recording]

That place was called a prison, but the luxurious conditions found there belong to an ostentatious private resort. In order to entertain his visitors in a comfortable manner, the narcotics trafficker ordered the construction of a bar, lounge, and sauna in one of his three apartments. The famous Catedral has two sections—in each section Escobar had one apartment. One apartment he had built was in an area with cabins near the mountains.

According to the initial investigations by the Office of the Prosecutor General, it was in these cabins where Escobar held trials of the persons who betrayed him within his own cartel.

[Begin De Greiff recording] The way the buildings were constructed coincides with the depositions made by some witnesses who say....[pauses] who claim they were there and interrogated about their businesses. They even refer to some sentences that were issued from there against some of them. It is terrible to have to say this, but the bodies of some of them were found charred in Medellin. [end recording]

To prevent possible air attacks, the narcotics trafficker built some underground bunkers protected by concrete walls.

[Begin recording] [De Greiff] Those buildings show they were destined to protect the prisoners—not to protect society from the prisoners.

[Reporter] Dr. De Greiff, it has been said that parties, practically orgies, as well as soccer games with friends were held in that place. Did you find any evidence?

[De Greiff] We found some photographs of celebrations or parties held by the inmates. I do not know....[pauses] well, I, of course, did not know the inmates so I really cannot say if persons other than the inmates are in those photographs.

Something that is truly disgusting is that some of them are seen drinking in a bar that was inside the prison and one guard is seen serving their drinks. [end recording]

On 3 August, three anonymous prosecutors continued their inventory they began 13 days ago of all the luxuries found in the prison.

The Office of the Prosecutor General will summon former Justice Minister Fernando Carrillo and the most recent director generals of prisons to establish what they knew about the situation at Envigado Prison.

De Greiff announced that within the next few days, the first arrest warrants will be issued against the guards who helped in the escape of Escobar.

Orders Investigation

PA0408022392 Santa Fe de Bogota Inrvasion
Television Cadena 1 in Spanish 2300 GMT 3 Aug 92

[Report by Diego Hernan Canal in Santa Fe de Bogota—passages within quotation marks are recorded]

[Text] Prosecutor General Gustavo de Greiff has launched an investigation of all officials anyway connected with, or responsible for, Envigado prison. The officials include former Justice Ministers Jaime Giraldo Angel and Fernando Carrillo. The prosecutor general termed as repugnant what he found at La Catedral Prison; and said officials who never saw the guards' corruption or the prisoners' ostentation were blind.

La Catedral was a corruption center rather than a prison.

[De Greiff] "The inmates had efficiency apartments equipped with kitchen, bar, bedroom, jacuzzi, and sauna. We found some pictures of the inmates' parties."

[Hernan] The authorities are now looking for those who were responsible for what took place there. The prosecutor general has already pointed out one culprit.

[De Greiff] "We have already launched an investigation to locate the culprits but, above all, the prison director is logically responsible."

[Hernan] There is more. No one established limits to luxury although regulations were established before Escobar turned himself in: The prisoner should provide his own personal effects without getting into ostentation or exaggeration.

[De Greiff] "Regulations were violated because ostentation and luxury do not correspond to the parameters established there."

[Hernan] However, the most critical thing was the visits or inspections that should have been carried out in the prison.

[De Greiff] "One cannot explain why the obvious was not seen; why no information was gathered; why inspections were not carried out—or why no decisions were made if things were seen, information was gathered, and inspections were carried out."

[Hernan] As a result of the prosecutor general's charges about the corruption that prevailed at Envigado prison, on 3 August former Minister Fernando Carrillo Flores, who held the post most of the time Pablo Escobar was in prison, said who is directly responsible for these irregularities.

[Carrillo] "The question is: What was the Army's involvement in the military checkpoints—first, to let those people enter the prison, and, second, to allow the arrival of visitors, as the prosecutor general has pointed out?"

[Hernan] The Army was sent to Envigado because the government did not trust the prison guards. Nevertheless, those plans also failed.

Active Military To Assume Air Traffic Control

PA0408021492 Santa Fe de Bogota Inrvasion
Television Cadena 1 in Spanish 2300 GMT 3 Aug 92

[Text] Noticiero 24 Horas confirmed on 3 August important changes will be made in the Civil Aviation Administration Department. The government has decided to place Colombian Air Force officers in high-ranking posts within this organization, which is in charge of controlling the country's air traffic. Jose Joaquin Palacios currently is in charge of the department's directorate. The position will be occupied by military officers on active duty, as in previous years.

Paraguay

Signed Constitution Not Approved Version

PY0108205492 Asuncion HOY in Spanish
1 Aug 92 pp 4, 5

[Text] A situation that may develop into a scandal of unknown proportions has been revealed: The text of the national Constitution sworn and signed by Constituent Assembly members on 20 June was not the final text of the new constitution the assembly approved at a plenary meeting on 17 June. According to Colorado Party conventioner Victor Hugo Paniagua, neither was the text sworn and signed by the presidents of the three branches of state, including President Andres Rodriguez, at Congress 48 hours later the one the Constituent Assembly approved on 17 June.

Paniagua, who belongs to the peasant bloc, told HOY the entire story of something that had been kept secret. Paniagua also said that Oscar Paciello, Colorado Party bloc leader in the Constituent Assembly, confirmed the story during a lecture in Coronel Oviedo on 29 July, in response to a request from the local bar association's chairman.

According to Paniagua, "everybody signed a constitution without realizing that it was not the one the National Constituent Assembly approved in its final session. An ad hoc committee created after the assembly's mandate expired now is trying to have a list of corrections included in the text of the Constitution as if nothing had happened."

This ad hoc committee, established without the conventioners' authorization after the National Constituent Assembly's mandate expired, has prepared a list of corrections that includes the ones actually made to the text of the constitution the 198 conventioners approved at the final meeting on 17 June.

What was it then that the National Constituent Assembly signed and swore during the formal ceremony held at the Central Bank auditorium on 20 June? According to Paniagua, it was "the text of the constitution the assembly had on 12 June because Paciello himself admitted that the computers of a company the

National Constituent Assembly had not formally hired lost the constitution's final version."

"Paciello explained that the list of corrections was prepared because the text the conventioners signed and swore on 20 June is not the final version approved on 17 June. He also explained that the approved version was not the one that had been printed out for the conventioners to sign nor was it the one sent to the national Congress for the signature of the presidents of the three branches of state," Paniagua reported.

The conventioners wanted to investigate the matter because the creation of an ad hoc committee after the National Constituent Assembly finished its work seemed very strange to them. No one knew why this committee was established or its purpose.

Paniagua blamed Assembly Chairman Oscar Facundo Ynsfran for what happened because "Ynsfran charged Ramiro Barbosa, a conventioner for the Authentic Radical Liberal Party, to have the final text of the constitution printed. Paciello said that he did not know how or why but the thing is that the constitution's final text got erased from the computers' memory. Since there was no time left, the preliminary version of the constitution that the conventioners had not corrected yet had to be printed out."

The affair was not made public because, according to Paciello, "there was a rumor going around in those days that the president of the nation would not sign the new constitution and that the other branches might refuse as well, and this would have led to severe instability. Thus, it was decided to cover up the problem and to submit for signature the uncorrected version of the Constitution," according to Paniagua.

The legal consequences and problems that may result from this situation are unfathomable. In any case, Paniagua said: "The National Constituent Assembly chairman displayed irresponsibility and dishonesty toward the conventioners by not reporting this problem caused by the computer department of a company managed by Ramiro Barbosa, a company that had not been officially hired by the assembly."

Paniagua asked: "Why was Ramiro Barbosa entrusted with printing the final text instead of giving the job to the assembly's computer section handled by Plano de Egea?"

Paniagua added: "Colorado Party conventioners, especially those of the peasant bloc, want to know who is responsible. They want to know why the Constitution's final text got erased from the computers' memory, especially since this computer team (of Catholic University's CIPSEP [expansion unknown]) had not been officially hired by the National Constituent Assembly."

Paniagua went on to say: "I went to see Assembly Chairman Oscar Facundo Ynsfran several times to ask him what had happened and he said nothing had happened."

It seems that there are substantial differences between the text that had been approved but not signed or sworn and the one that the conventioners actually signed unwittingly. "The list of corrections is undoubtedly correct; it lists the corrections we approved, but I want to know why the National Constituent Assembly was not told about something so important. The problem was covered up out of fear that the president of the executive branch and the other branches of the state would not sign the Constitution, and we were made to sign a text different from the final version," Paniagua told HOY.

"The assembly chairman entrusted a computer team not officially hired by the assembly with producing the Constitution's actual final text. How come this final text got erased from the computers' memory? Why was the assembly not convened to explain the problem and the need for an ad hoc committee to compile a list of corrections?" Paniagua added.

"I can tell you for sure that had we known that we were not signing and swearing the text approved on 17 June, the peasant bloc would have not participated in the ceremony on 20 June. I want to know what and who they were afraid of," Paniagua said.

He added: "We would have asked for an in-depth review of peasants' gains before we approved the text because we would have been deeply concerned that articles dealing with the country's decentralization and the makeup of the Chamber of Deputies might have been changed."

The text of the national Constitution that Congress has is the same one the conventioners signed and swore, Paniagua said, adding that "it is now known that Congress is reluctant to accept the list of corrections prepared by the ad hoc committee." It is possible that the situation will have to be examined by the Supreme Court and undergo a broad debate in Congress.

All the minutes of the National Constituent Assembly will have to be examined before the corrections made to the Constitution's text on 17 June can be accepted.

Corrections 'Not of Substance'

PY0308223392 Asuncion ABC COLOR in Spanish
3 Aug 92 p 7

[Text] Lino Chilavert and Victor Hugo Paniagua, Colorado Party conventioners at the National Constituent Assembly, disclosed a few days ago that they were tricked into swearing to a constitution which was not the one approved by the Assembly on 17 June. They explained that unauthorized computers had "lost" the final version of the Constitution, and a different text was submitted for signing and swearing to.

In the light of these charges ABC COLOR got in touch with conventioners Ramiro Barboza and Gustavo Laterza [of the Authentic Radical Liberal Party], who had been involved in the final steps of the constitutional process. We also tried to contact Assembly Chairman

Oscar Facundo Ynsfran and Colorado Party bloc leader Oscar Paciello, but failed to do so because they were nowhere to be found this weekend.

Both Barboza and Laterza said that the problem was caused by haste, because the final text of the Constitution had to be turned over to Congress for safekeeping on 22 June. They explained that when Article 180 of the Constitution was being fed into the computer it locked up; its memory was erased and everything was lost, so they had to redo everything—based, however, on a version that had been compiled on CIPSEP [expansion unknown] equipment [un equipo del CIPSEP]. Thus the discrepancies.

"That was the version that was swiftly supplied and signed the next day, at the formal ceremony attended by the president of the nation," Barboza and Laterza said.

Laterza explained that several discrepancies of format, and not of substance, were later on discovered. Barboza indicated that 90 percent of the list of corrections is made up of capitalization mistakes, missing accent marks, and commas. "What I mean is that haste did not allow for the polishing of the original text that was signed," Barboza said.

Laterza added: "The list of corrections has become a political issue instead of a grammatical issue, as it should have been, as far as I know. If they cannot specify a word, a sentence, or an article whose meaning has been completely changed, it means they have found nothing. If they do not make any specific charges, it means there is a campaign under way."

As to the validity of the Constitution, Laterza said that the text released by (Oscar Facundo) Ynsfran 31 July is relatively valid [relativamente valido] until the executive branch publishes the official version. "Until the executive branch decides whether to include the list of corrections, we will not have the official version," Laterza stated.

Presidential Candidate Repeats Need for 'Guns'

PY0308193392 Asuncion ULTIMA HORA in Spanish
31 Jul 92 p 9

[Excerpts] At a political rally held in Villarica yesterday evening, Blas N. Riquelme, candidate for president of the Colorado Party on behalf of the Colorado Traditionalist Movement, reiterated the need to use guns whenever circumstances demand so.

During a confusing speech he delivered at the Colorado Party premises, Riquelme stated that "if push comes to shove, guns will be used once again to stage another February 2 and 3, but otherwise ballots will bear witness to the greatness of the Colorado Party. The Colorado Traditionalist Movement seeks the party's total unity, without excluding anyone—that is our cannon."

He added that "the main goal that we pursue in order to honestly win the general elections in 1993 is unity." He reiterated his pledge to create more than 200,000 new jobs and 19 universities.

Peru

San Roman Interviewed on Current Role, Fujimori

PA0308212892 Lima Panamericana Television
Network in Spanish 1200 GMT 3 Aug 92

[Interview with Maximo San Roman, "appointed constitutional president by the dissolved Peruvian Congress," by unidentified reporter at the station studio—live]

[Excerpts] [passage omitted] [Reporter] How close were you to President Fujimori? A poll in DEBATE shows that many Peruvians believed you were an influential person who was powerful in the government.

[San Roman] No, in reality...

[Reporter, interrupting] Were you powerful, or did you not feel that way?

[San Roman] No, I was never close to Fujimori because he never allowed me to get close. Unfortunately, I think he deceived many people, including Maximo San Roman. In the first round of the elections, there was more or less an understanding. During the second round, when he felt he was the winner, he was practically absorbed and surrounded by the intelligence service and all the people who were part of it. We evangelists, small industrialists, and all the legislators who had been elected and who had been in the campaign were sidelined.

[Reporter] They were not the great majority, because some...

[San Roman, interrupting] I do not think so. It was all of us. I think it was all of us because there was no (?communication) with us. With one or two persons there was, but not with the majority.

[Reporter] You never talked about these things during the campaign. That is understandable because you were loyal. However, the public felt that when you returned from the United States after 5 April you did not maintain that loyalty and you began to air the campaign's dirty laundry in public. The public was surprised and asked themselves why you had continued in the government if you knew all about this...

[San Roman, interrupting] The great objective and desire of Maximo San Roman is to serve the country. I cannot undertake any action for my own personal gain because the country is at stake. When the country is the issue, we must defend it with courage and stoicism. I will definitely do that.

[Reporter] But are you aware that the constitutional role you are playing is more moral than anything else, and it

is a symbolic role because you do not really hold power and do not have the ability to [words indistinct]?

[San Roman] This is temporary; it has to pass. The dictatorship cannot last. You can be sure the country's only option is unity among Peruvians.

[Reporter] But you have been left alone. I have the impression that the parties have abandoned you. In the beginning they supported you. That was important, but now...

[San Roman, interrupting] No, no, I think that is a false picture held by the public. I am seeking unity among all the political parties and among the Peruvian people, without any exceptions.

[Reporter] How are you seeking it?

[San Roman] We maintain constant contact with representative organizations, with popular organizations, with political party representatives, and all of them have the same objective: seeking national dialogue and understanding as the sole solution to this crisis.

[Reporter] Let us talk about solutions in a moment. Within your figurative and moral role, it was said that you were going to appoint a cabinet and a president of the Council of Ministers, and that you were going to take actions. It was said you would appoint a foreign minister or a representative who would go on a tour. I think you said you would tour the world and the country, but nothing has been done.

[San Roman] Yes, we have been doing this. I have not made a campaign tour. Instead, I have toured the country's interior. We have visited Tacna, Cusco, several departments, and several provinces of Cusco.

[Reporter] How did Cusco behave in view of the fact that you were born in that province? In some initial polls, the people of Cusco turned their backs on you. There were harsh words against you. I appreciate you as a friend, but I must tell you that you were labeled a traitor and they even called you a Judas. That must hurt.

[San Roman] The people have obviously been deluded. My people would probably have liked me to continue as first vice president, but one cannot accept that when it goes against a democratic system and the principles you hold as an individual. I think the people are beginning to understand that.

[Reporter] You think the people initially turned against you, but now they understand you?

[San Roman] Yes, completely. I have gone to my hometown without announcing my visit and the people gathered, bells rang, and we held an assembly of the people in Quechua. We analyzed our problems and the problems of the community, and we have seen what options exist. The option we have all found is that we must change ourselves first to be able to make our land produce more,

to become more efficient, and to train better. That is the message I took away from there.

[Reporter] The television audience is often very direct. They ask if you think politicians have tried to use you or are using you now. They put you at the forefront of a battle that is not exactly yours. You said you are setting aside the fact that several politicians who supported you or who are supporting you now had criticized or attacked you in the past for your inexperience. Our callers say these politicians are very fickle.

[San Roman] The seriousness of our country's problem compels us to seek an understanding among all Peruvians. We cannot go on fostering confrontation among Peruvians. That would be—and is—extremely dangerous for the country under the circumstances. In that respect, we must seek understanding among all political parties, unions, workers, farmers; in sum, everyone. I do not think you can talk about attacks on the part of anyone. Peruvians have the obligation to reach an agreement.

[Reporter] Would you participate in the dialogue?

[San Roman] The dialogue takes place between the political parties represented in Congress and the de facto government. I am not a member of those political parties.

[Reporter] Prominent figures were also summoned.

[San Roman] I am always holding talks with organized groups and representatives of political parties. I hold talks with certain ministers when we meet at protocol functions at various embassies.

[Reporter] Are those encounters friendly or tense?

[San Roman] I have been friends with all the ministers. I recall an encounter at the U.S. Embassy with Jaime Yoshiyama, energy and mines minister. He approached me and we met again as friends, despite our differences. Of course I criticized his attitude as a businessman supporting a military coup, but he had his reasons. We put those differences aside and had a rather long chat about the country's problems.

[Reporter] What do you feel when you see the surveys and sense the people's support for and acceptance of Engineer Fujimori's mandate. Some people call to ask you: Why do you continue calling Fujimori a dictator or talking about a dictatorship when the people accept this situation and are ultimately accepting the rules he is imposing? Why are you so sure the people do not accept the dictatorship?

[San Roman] I think we must call things by their names. We have here a military coup headed by Fujimori. His only source of support is the Armed Forces.

[Reporter] You will recall the first surveys supported Fujimori. He touched on highly sensitive issues such as justice in the country, Congress, which had a very poor image among the people, and corruption. He had a great

deal of support. That support has decreased, it is true, and is now at 50 or 60 percent. Even now you see some surveys, such as a recent one by the Apoyo company, where people think Fujimori will stay in power until 1995. Over 60 percent of those surveyed are sure he will remain in power until July 1995. They are certain he will continue to be the president until then. When asked how long he should stay in power, over 55 percent responded until July 1995. This situation had an abrupt beginning, and I agree with you on that. It was a coup or anything else you want to call it, but it was accepted.

[San Roman] I do not think so. I talk to the people, too. I sense a great deal of uncertainty. There are no jobs. Unemployment has increased. The productive sphere is in a recession. Companies are forced to sell below costs. Businesses are closing. There are no loans for farmers. There are no loans for businessmen. There are no loans for anyone. We are paralyzed. We cannot ignore reality. Let me tell you something: Peru was all set to receive \$2 billion. How much have we received as a result of the coup? Only \$300 million. We have not received \$1.7 billion. Why? Because of the military coup. Because of the military coup the money did not arrive. For that reason, banks close, savings and loans close, companies close, businesses close, and what else? We have no resources.

The little money that had returned to the country is rapidly being withdrawn under conditions of uncertainty. That is the real problem, and the people must be aware of it.

[Reporter] We will talk about solutions to the crisis in the next segment. The first part of the interview is important so we can learn some details and speak clearly with you. After what you have said, what do you think the intentions were behind the 5 April coup? Why have we lost more than what we won at that time? Was there an explanation that you can perhaps make now? There were even rumors that some officials were jealous of you. There were rumors that a break in democracy was foreseeable and perhaps you could have led it. That was published...

[San Roman, interrupting] That is a lie as big as Lima Cathedral. It was made up by none other than former Prime Minister Carlos Torres y Torres Lara in the United States. That rumor is absolutely groundless.

[Reporter] What were the motives and intentions behind all of this?

[San Roman] The motive was the exaggerated desire for power of the de facto leader and his great concern about losing popularity and credibility after the serious accusations made by Mrs. Susana Iguchi. As you see, the affair has been overshadowed and it has not been clarified. The people are demanding an explanation because the accusations are very serious. [passage omitted]

[Reporter] At this moment, the government sets the rules of the game when it comes to the dialogue. Neither you

nor the parties can do that. The rules are being set gradually and, at the very least, the dialogue must begin under those conditions so progress can be made.

[San Roman] No, no. I think the solution for the country is the dialogue. There must not be any preconditions for talking. Nobody can set the rules of the game because that defeats the very purpose of dialogue. For instance, the dialogue between you and I is aimed at reaching an agreement and seeking an understanding. If you set preconditions, however, I will most likely not agree to talk with you. That goes against the purpose of the dialogue.

[Reporter] From that standpoint, the dialogue that resumes today does not have a future.

[San Roman] Of course. The message delivered on 28 July conveyed Fujimori's categorical views on the dialogue. A few days earlier, however, Oscar de la Puente, president of the Council of Ministers, talked to the political parties about the topics of the dialogue. The message delivered by Fujimori on 28 July disavowed De la Puente's actions as Fujimori defined his rules of the game. That is not a dialogue. He has broken the dialogue. Now who has ended the dialogue? The de facto government.

[Reporter] Then how should the dialogue be carried out? How can the opposition reach an agreement with Mr. Fujimori?

[San Roman] We must not seek an accord with Engineer Fujimori. We must work toward reaching an understanding among the Peruvian people. It must be clearly understood that the dictatorship does not want to talk.

[Reporter] Let us be realistic. Engineer Alberto Fujimori is currently in power. He is the president of the Republic, and I am not saying he is the constitutional president. He is president of the Republic and head of state.

[San Roman] That is correct. He has the support of force but not reason. That is the difference.

[Reporter] You are right, but you still must talk to him.

[San Roman] He does not want to talk.

[Reporter] What do we do then? We are at a dead end.

[San Roman] Yes, we are at a dead end because he is taking us there. The way to overcome this crisis is to do away with Fujimori.

[Reporter] Do you not see any other possibility?

[San Roman] I do not see any other possibility.

[Reporter] And how are we going to do away with Fujimori?

[San Roman] He must leave. If this gentleman had a bit of moral fiber, he would leave now. That would keep him from causing the country more harm.

[Reporter] We sincerely do not think that is possible now.

[San Roman] You are probably right. However, it must occur. I am confident that the only way to solve the country's problems is to do away with Fujimori.

[Reporter] A television viewer proposed that, for the sake of unity and given that no country has recognized you since recognition is granted to states and heads of state, why do you not leave the constitutional presidency? Why not allow one person to represent Peru and have the opposition avail itself of other channels? Having two presidents in Peru is not quite appropriate.

[San Roman] In principle, we have respect for a national agreement that was made in 1979, issued in 1980, and has been in effect since that time. That national agreement is the Constitution, which obviously regulates the functioning of a country. We are defending that Constitution to be able to reestablish the country's democratic and constitutional regime. We will continue to work in that direction until we achieve our goal. We will achieve our objective sooner than you think.

[Reporter] Another viewer asks why you do not take the first step toward unity by resigning from a presidency that is not real and is not accepted by a large share of the population? Why do you not call a truce with Engineer Fujimori?

[San Roman] On 30 April I made a specific proposal to the country to seek a political solution to this crisis. This regrettable crisis is really dividing Peruvians. My proposal was to elect a constituent assembly, and at the time of its installation, those of us elected in 1990 would submit our resignations. The constituent assembly would be tasked with appointing or choosing a transitional government that would permit the reforms to the Constitution and the general elections.

[Reporter] Elections will be held in November to elect a constituent congress.

[San Roman] All officials who were elected in 1990 should resign at that time, not only congressmen.

[Reporter] Well, in August we will learn the norms of the congressional elections. Once the constituent congress has been elected, you will resign together with all...

[San Roman] That is correct. That is an agreement made by all political parties, myself, and Second Vice President Dr. Carlos Garcia.

[Reporter] Beginning with the election of the constituent congress, we see a solution to the crisis.

[San Roman] That is what I proposed on 30 April, and that proposal continues to be valid. Fujimori is the one who does not want to resign because he wants to remain in power beyond 1995. [passage omitted]